



**China Unicom (Hong Kong) Limited
2025 Annual Results Announcement
Presentation Transcript**

Speaker: Mr. Dong Xin, Chairman and Chief Executive Officer

Slide 1

Ladies and gentlemen, good afternoon. Today, I am very honoured to welcome you to China Unicom's results announcement. Here, I have met many old and new friends. Reuniting with old friends brings a sense of familiarity and warmth, while the addition of new friends brings us confidence. This signifies that with everyone's support, China Unicom will continue to thrive and develop. This results announcement is of vital importance, as it serves both as a summary of our work over the past year and as a report to you on our overall business plan for the upcoming "15th Five-Year Plan" period. China Unicom has always adhered to the main theme of "Preserve and Innovate, Steady and Far-reaching" focusing on the four core arenas of connectivity, computing power, service, and security. With your support, we have taken solid steps forward. During the "15th Five-Year Plan" period, our pace will surely become more steadfast.

Slide 2: Achieving Stability with Preservation

We achieve steady development with preservation. In 2025, the Company's operating revenue has grown to RMB 392.2 billion, with profit before income tax reaching RMB 25.5 billion, return on equity at 5.7%, and free cash flow at RMB 36 billion, a year-on-year increase of 28.5%.

Slide 3: Seeking Long-Term Growth through Innovation: Optimising Structure

We are committed to seeking long-term development through innovation, actively

seizing the opportunities from the new round of technological revolution and industrial transformation, and deeply implementing the "AI+" initiative. Currently, revenue from the Company's strategic emerging industries accounts for over 86% of total revenue, demonstrating strong growth potential. Revenue from the computing power business accounted for more than 15%, artificial intelligence revenue increased by more than 140% year-on-year, and international business revenue increased by more than 9% (we are not satisfied with this figure and expect to achieve double-digit growth in the future).

Slide 4: Seeking Long-Term Growth through Innovation: Enhancing Efficiency

The Company's capital expenditure for 2025 was RMB 54.2 billion. Overall, this amount is not considered high in terms of supporting the future development of the Company. We primarily enhance investment efficiency by deepening co-build co-share and by building ultra-lean networks, ensuring that our limited investment can fully satisfy the Company's development needs. For 2026, we have further plans and expect to control capital expenditure at approximately RMB 50 billion, of which the proportion of investment in computing power shall exceed 35% on the basis of total capex control, and this proportion is expected to further increase in the future. We will strictly implement investment controls, except for projects that possess significant profit potential or are essential to strengthening our foundation.

Slide 5: Focusing on Four Core Arenas

The Company's ability to achieve the strong performance mentioned above would not be possible without the long-term support and trust of our customers and shareholders, as well as the effective assistance from our friends in the media and all sectors of society. Next, I will briefly report on the specific details of the Company's four strategic directions.

Slide 6: Enhancing the Breadth and Depth of "Connectivity": Enhancing Network Capabilities

First, in terms of "connectivity", we have been cultivating this field intensively and

have accumulated extensive experience. We are well aware that connectivity is the cornerstone of an operator's existence and a prerequisite for the development of China Unicom. In the future, we will further consolidate and strengthen our connectivity capabilities, making it the "stabiliser" for the Company's development. We are committed to improving network coverage, enhancing network quality, and optimising connectivity dimensions, promoting the expansion of our business from traditional mobile and broadband networks to emerging fields such as the Internet of Things and the Internet of Vehicles. Our long-term goal is to achieve an evolution toward a low-altitude intelligent Internet and satellite internet, ultimately satisfying users' demands for high-speed, ubiquitous, intelligent, efficient, stable, and reliable connectivity. This is the core foundation of the Company's future, the expectation of users, and the basis for our value creation.

Specifically, we will enhance our network capabilities, implement signal and broadband upgrades, and simultaneously promote the co-build, co-share, co-maintain and co-optimise of our networks. We believe that the objective of network coverage is not limited to mobile networks but also includes satisfying the comprehensive connectivity needs of users. We strive to achieve a 99% coverage rate and ensure that network perception in key scenarios gains user recognition. While the industry is currently exploring 6G, we are focusing on promoting the deployment of 5G-A (5G-Advanced) from the perspectives of smooth network evolution and maximisation of efficiency. Currently, we have deployed relevant networks in 330 cities, promoting gigabit expansion and 10-gigabit upgrades, with nearly 90% of areas already possessing gigabit access capabilities. Meanwhile, 10G optical network pilot programmes have been launched in over a hundred cities with significant results. We are confident in achieving a decrease in capital expenditure (Capex) in the future. As for 6G and quantum communication, they are currently in the stages of technical validation and advance exploration.

Slide 7: Enhancing the Breadth and Depth of "Connectivity": Expanding

Connectivity Scenarios

Since its establishment, China Unicom has consistently adopted a prudent strategy, grounding itself in the present while remaining keenly attentive to future trends. In new technology fields relevant to our industry, we strive to maintain a leading position and have therefore undertaken a number of initiatives. Connectivity scenarios have evolved from fixed-line telephones, mobile phones, the PHS, and pagers to the Internet of Vehicles (IoV) and the Internet of Things (IoT) in recent years, and they are bound to become even more extensive in the future. By combining user needs with the development of new technologies such as artificial intelligence, we have made forward-looking deployments. Currently, our total number of connectivity subscribers has exceeded 1.2 billion, and may experience exponential growth in the future. In terms of current network conditions and user demand, our business focus remains on integrated packages, adhering to the integrated development of broadband and mobile networks and strengthening business synergies. Currently, the ARPU for our integrated packages has exceeded RMB 100, and year-on-year revenue growth from 5G private networks has exceeded 50%.

China Unicom already possesses specific 5G functions and capabilities. In terms of scenario applications, we still have untapped potential. For instance, there is still room for development in areas such as network slicing, edge computing, and high-capacity efficiency enhancements. In addition, I would like to report to you that we have obtained an operating permit for satellite mobile communication services, with the aim of promoting the large-scale application of direct-to-device technology for mobile phones. Some may ask, given the current massive investment in direct-to-device connectivity, where do the returns lie? We can make an analogy: Whether in the military or high-tech fields, the reserve of strategic capabilities or the deterrence of advanced technologies holds strategic value, and the same applies to the reserve of satellites and other new technologies. In the future, we will continue to consolidate the foundation of connectivity and strive to become the "information artery" and "neurons" driving economic and social development.

Slide 8: Providing Faster and More Precise Computing Power: Building Intelligent Computing Clusters

The second arena is "computing power". Computing power represents the future and is a symbol of innovation. Unlike the previous narrow understanding of computing power, China Unicom has endowed it with new meaning, committing to enhancing the speed and precision of computing power and regarding it as a "propeller" for driving revenue growth. Within the computing power system, it is first necessary to construct a solid "foundation", on which we will effectively advance important work such as big data, artificial intelligence, and cloud-network integration.

Our primary task is to construct intelligent computing clusters. In recent years, the national "Eastern Data, Western Computing" project has become widely known. Through in-depth practise, we have optimised numerous solutions, including the selection of service nodes and the research and development of green computing power. Relevant trials have been launched in certain provinces, with the number of standard cabinets exceeding 1.1 million, and seven 100-megawatt-class AIDC campuses have been established. At the same time, we have accelerated the construction of the new-generation "Eight Vertical and Eight Horizontal" backbone fibre optic cable network. Overall, the scale of computing power continues to expand while the unit investment continues to decrease, which makes China Unicom's investment more precise and its capabilities more powerful.

Slide 9: Providing Faster and More Precise Computing Power: Upgrading Unicom Cloud

"Unicom Cloud" is an important business that has grown alongside China Unicom in recent years, and we are accelerating its transformation into an "AI Cloud". Currently, we have established a new business model integrating applications, models, and resources, and have implemented multiple application projects across various provinces in Mainland China and at certain international locations. We have assisted nearly 400,000 corporate clients in achieving digital transformation, successfully establishing the brand image of "AI Smart Select Unicom Cloud". During the "15th Five-Year Plan"

period, our focus will remain on product and brand development, and we look forward to doing even better under your guidance.

Slide 10: Providing Faster and More Precise Computing Power: Open Digital Intelligence Platform

China Unicom's development to date has relied on its own efforts on the one hand, and on the other, the support of its industry chain partners, including upstream equipment providers and downstream users, is also indispensable. Therefore, maintaining the openness of the platform and the openness of operations will be an eternal theme for China Unicom. We have launched the "Wanxiang" data engineering platform, the "UniAI" MaaS platform, and the "Wanwu" intelligent agent platform.

In the future, computing power will become the core of the Company's operations and development. We will carry out moderately advanced infrastructure deployment centred around computing power. My colleagues and I are prepared to go all out. Computing power will shape the future global development landscape, but it is also accompanied by risks and challenges. Its future returns are subject to high uncertainty, particularly against the current backdrop of some "involutionary" construction within the industry. In this regard, China Unicom will adopt new algorithms, technologies, and frameworks to build its computing power foundation. We are willing to undertake the arduous and demanding tasks first to lay a solid foundation for reaping rewards in the future, while ensuring proper risk mitigation. I have previously proposed the concept of "making computing power as accessible and ready-to-use as water and electricity". In the course of providing services, China Unicom hopes that users and the upstream industry chain can participate directly to jointly create superior computing power capabilities.

Slide 11: Offering More Tailored and Refined Services: Facilitating Digital Consumption

The third arena is "services". The scope of services is extensive and is closely related to the aforementioned connectivity and computing power, as well as the security

services to be mentioned later. Service is the foundation of an enterprise, and it is particularly important for companies like China Unicom that belong to the tertiary industry. In the past, our service production and user consumption were carried out simultaneously. In the future, we must prepare in advance in terms of production and design, pre-deploying resources and capabilities for users. When the basic connectivity network meets demand and efficiency reaches a sufficient level, cloud services emerge as a natural development. Then there comes integrated space-ground three-dimensional network. We plan to adopt a series of measures in the field of digital consumption. Currently, we serve over 300 million users and are actively exploring innovations such as eSIM. Intelligence is a key area for future services, and users, whether they are household users or users in various application scenarios, are our focus.

Slide 12: Offering More Tailored and Refined Services: Serving New Industrialisation

Another key focus is industrialization, namely achieving the integration of the virtual and the real between digital twins and the physical economy. How to achieve deep integration is the key to determining whether we can further grow and expand, and enhance our profitability and service capabilities. Currently, we have expanded a series of related applications, including the "5G+ Industrial Internet" product system and platform system. For example, we serve over 95 million vehicles (this figure is limited by the types of services and functions currently provided). In the future, even if the total number of vehicles does not increase significantly, we expect revenue to grow accordingly through the addition of service functions.

Slide 13: Offering More Tailored and Refined Services: Empowering Digital Government

Another key focus is digital government. We are committed to iteratively upgrade economic development platform, as well as the AI call centre and the "Labour Connect" smart governance platforms. In the past, these may have operated as single platforms. In the future, they will develop into a system that supports intelligent connectivity across the entire network and cross-network intelligent analysis, thereby rapidly

providing diversified products. Recently, various hot topics on domestic and international internet platforms have been widely discussed, and China Unicom is also paying close attention.

Slide 14: Offering More Tailored and Refined Services: Accelerating International Development

In addition, we are committed to international development, continuously enhancing the capacity of major backbone channels such as Asia-Pacific, Asia-Americas, and Asia-Europe. China Unicom's involvement is gradually strengthening, including in businesses that have already established a sound revenue system, as well as in projects that align with the national "Belt and Road" Initiative and meet the business needs of relevant countries.

Slide 15: Offering More Tailored and Refined Services: Reshaping Brand System

Regarding our brand system, we conducted in-depth research in early 2026 centred on China Unicom's main "Unicom" brand and its series of sub-brands. Currently, the brand refresh has entered the protocol and drafting stage and is expected to be officially launched in April or May of this year at the latest.

Slide 16: Building More Robust and Stronger Security

Fourth, I would like to again emphasise the importance of "security". In the field of security, China Unicom has given it rich meaning and scope, and we refer to these security services as our "escort". This does not refer merely to the security of China Unicom's own business or operations. Rather, it means we must propose and provide high-quality networks and products to safeguard economic development, to protect the investors who care for and support China Unicom, and to secure all companies and applications in need of information services. This is our important mission for the future.

We believe that these four major areas—connectivity, computing power, service, and

security—are sufficient to support China Unicom in fulfilling its social and economic responsibilities within the current industry, including delivering returns to investors. Future industrial development will certainly be collaborative, and no single company can succeed alone. For China Unicom, on the one hand, we will develop products independently. On the other hand, we also uphold a pragmatic approach of adopting whatever works, and we are willing to cooperate with all companies that are willing to share products and technologies to further enhance efficiency.

Slide 17: Actively Fulfilling Corporate ESG Responsibilities

The Company actively fulfils its social responsibilities within the industry. We demonstrate our sustainable development commitment to the public through ESG best practises, a move that has gained wide recognition and attention. We have also been honoured with authoritative awards such as the Sustainable Asia Award. In addition, the energy consumption of the Company's data centres has continued to decline, and its corporate governance has also received the highest ratings from various parties for consecutive years.

Slide 18: High Regard for Shareholder Returns

Regarding shareholder returns, we attach great importance to them. An enterprise must not only be committed to social development but must also be responsible for its initial capital, which is injected into the company by its shareholders. Therefore, for consecutive years, we have enhanced profits through cost reduction and revenue growth to provide returns to shareholders. Based on current estimates, the dividend per share for 2025 is expected to be RMB 0.417, representing an increase of 3.1% over the previous year, with the dividend payout ratio increasing to 61.3%. The 2025 interim dividend of RMB 0.2841 per share has been paid. Based on this calculation, the 2025 final dividend is expected to be RMB 0.1329 per share. The preliminary opinion of the Board of Directors and the management is that this proposal is relatively reasonable. We retain a portion of the funds to continuously support the future development of China Unicom, aiming to achieve capital appreciation through effective investment, thereby bringing more generous returns to shareholders.

Slide 19

At the China Unicom work conference held at the beginning of the year, my colleagues and I conducted an in-depth study and conclusion of the Company's nature and future development. We believe that an ancient Chinese saying can aptly summarise China Unicom: "Concluding and commencing constitute change. Steaming and flowing lead the way". This statement not only contains the name "Unicom", but also reflects the determination and characteristics of Unicom's future development—openness, cooperation, and sharing. Working hand in hand with our industry peers to jointly build up the industry and arenas in which we operate is our primary objective.

2026 is the first year for high-quality development under the "15th Five-Year Plan". We will remain true to our original aspiration and keep our mission firmly in mind. Our original aspiration is to operate our telecommunications services well and to drive the Company's transformation from a traditional operator into a high-level, integrated, intelligent information service provider. We will adhere to the general theme of "Preserve and Innovate, Steady and Far-reaching", focusing on the four core arenas of connectivity, computing power, service, and security, and pursuing a path of differentiated development. China Unicom has its own edges, but it cannot do everything. Our goal is to promote new achievements in the high-quality development of the Company and create greater value for shareholders, customers, and society.

– End –

Forward-Looking Statements

Certain statements contained in this presentation may be viewed as “forward-looking statements”. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In

addition, we do not intend to update these forward-looking statements. Neither the Company nor the directors, employees or agents of the Company assume any liabilities in the event that any of the forward-looking statements does not materialise or turns out to be incorrect.

Disclaimer

Although we try to ensure the accuracy of this transcript, it may to some extent deviate from the actual speech.