



# STEADY

## *Far-Reaching*

The background features a vibrant, futuristic cityscape at night, with numerous skyscrapers illuminated in shades of blue and purple. A prominent, glowing globe is centered in the upper right, surrounded by a circular data overlay. The overall aesthetic is high-tech and digital, with various data points and lines scattered across the scene.

Strengthening

# Connectivity

Using advanced communication technologies, the Company enhanced the robustness of connectivity, and made preemptive deployments on space-ground integrated network, so as to build an intelligent, ubiquitous, high-speed, efficient, and reliable digital backbone.

- Our network coverage continued to deepen, with the number of 4G/5G base stations exceeding 4.7 million.
- Net additions of mobile and broadband users reached 20.93 million, hitting a new high in recent years.
- Integrated penetration rate increased to >78%, with the ARPU of integrated subscribers staying at over RMB100.



# Enhancing Computing Power

The Company continued to promote the integrated development of cloud, network, edge, and devices with new algorithms and technologies, build edge computing clusters, and deploy multi-dimensional distributed nodes, in order to strengthen its computing power network.

- Intelligent computing capability was substantially enhanced, with intelligent computing scale reaching 45 EFLOPS.
- Revenue from Unicom Cloud, IDC, and artificial intelligence grew rapidly.

# Optimising Services

By penetrating industries and integrating into scenarios, the Company created differentiated products and provided high-quality services, winning high recognition and long-term trust from customers.

- Scale of cloud-AI business expanded rapidly, with the users of cloud-AI products exceeding 300 million.
- Promoted the integrated development of "AI + industrial scenarios", implementing >9,000 5G factories.

联通云

UniAI  
联通元景

Ensuring

# Security

By applying cutting-edge technologies, the Company achieved network and data independence and controllability, effectively managing risks, thereby building a solid foundation for national security.

- The Company's data security governance capability continuously strengthened, and became the first and only company in China to achieve the highest Level 5 rating in the National Data Security Maturity Model (DSMM) assessment.
- Launched the Unicom Security Guardian, which served 210 million users and offered peace of mind in communication and safeguarded property security.

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## FORWARD-LOOKING STATEMENTS

Certain statements contained in this report 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.

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China Unicom (Hong Kong) Limited (the "Company") was incorporated in Hong Kong on 8 February 2000 and was listed on the New York Stock Exchange<sup>#</sup> and the Stock Exchange of Hong Kong Limited on 21 June 2000 and 22 June 2000 respectively. On 1 June 2001, the Company was included as a constituent stock of the Hang Seng Index. The Company merged with China Netcom Group Corporation (Hong Kong) Limited on 15 October 2008.

China Unicom establishes branches in 31 provinces in China (including autonomous regions and municipalities) and multiple countries and regions overseas. The Company's telecommunication network and global customer service system covers China and connects to the world. The Company has been one of the "Fortune Global 500" companies for consecutive years, and ranked 269th in "Fortune Global 500" for the year 2025. It was also voted as "Most Honored Telecom Company" in 2025 for the tenth consecutive year by Exel (formerly Institutional Investor).

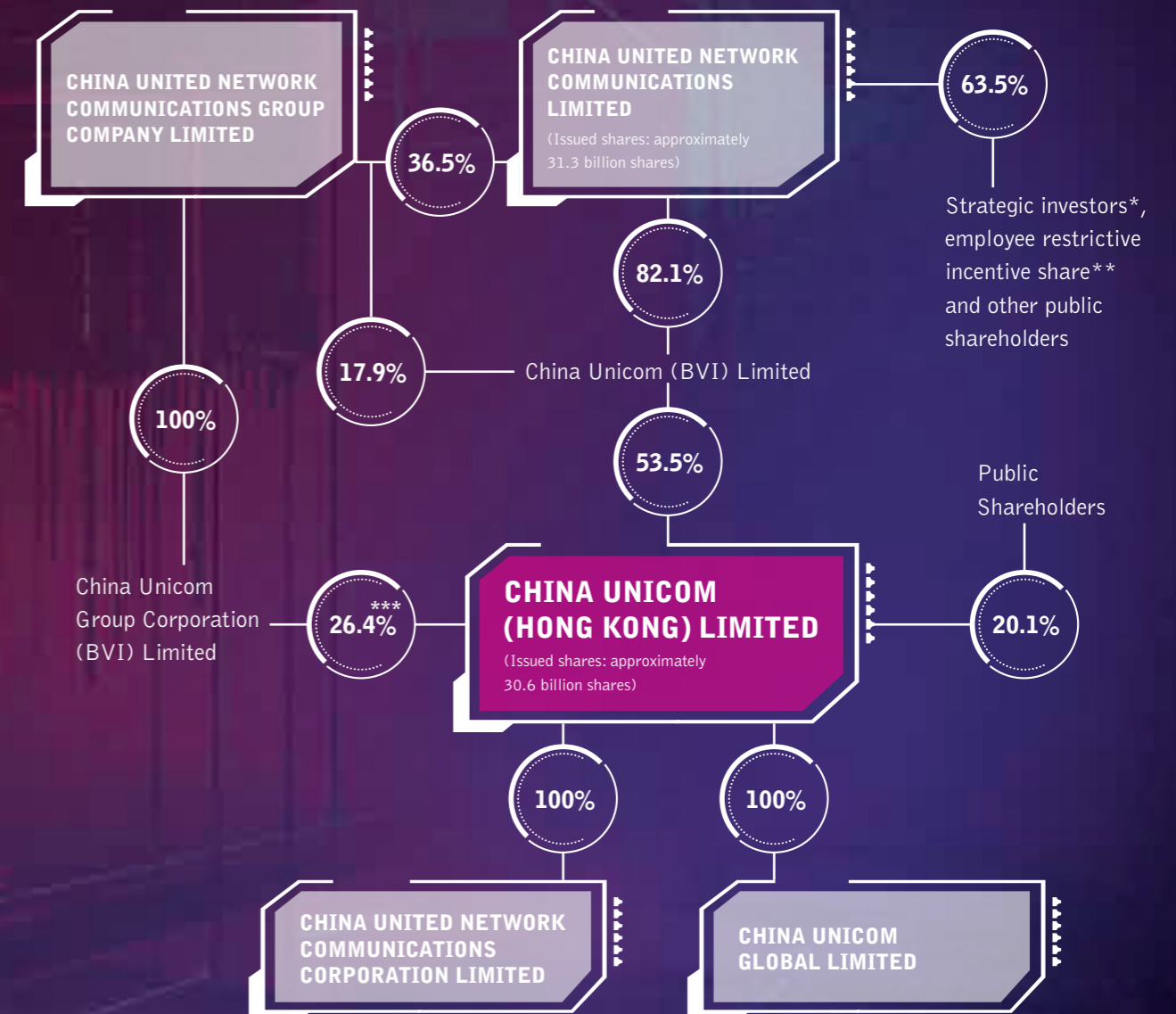
# Company Profile

China Unicom earnestly fulfills its political, economic, and social responsibilities. It adheres to the principles of upholding integrity and innovation and focusing on main responsibilities and main businesses, taking "Preserve and Innovate, Steady and Far-reaching" as the main keynote for the Company's development during the "15th Five-Year" period. With "connectivity", "computing power", "service", and "security" as the core arenas for fulfilling its responsibilities as a central state-owned enterprise, the Company is transitioning from a "basic pipeline provider" to an "integrated digital service provider", acting as the "national team and backbone of the information and communications industry". It fully exerts its influence in technological innovation, industrial control, and security support.

Note:

<sup>#</sup> The Company's ADSs were delisted from the New York Stock Exchange on 18 May 2021. Please refer to the Company's announcement dated 23 July 2021 for details.

# Shareholding Structure



\* In 2017, approximately 10.9 billion shares of China United Network Communications Limited were acquired by the strategic investors introduced by the mixed ownership reform through non public share issuance and transfer of existing shares. These shares were no longer restricted from sale in November 2020.

\*\* Pursuant to the phase 2 restrictive share incentive scheme in 2022, China United Network Communications Limited granted restricted shares to the core management talents and professional talents.

\*\*\* Excluded the interest regarding the pre-emptive right owned by China Unicom Group Corporation (BVI) Limited in 225,722,791 shares of the Company.

As at 31 December 2025

# Performance Highlights

**FINANCIAL HIGHLIGHT** (RMB billions)


	2025	2024	Change YoY
Operating Revenue	392.22	389.59	0.7%
Service Revenue	347.74	345.98	0.5%
Net Profit <sup>1</sup>	20.82	20.61	1.0%
Basic EPS (RMB)	0.680	0.674	1.0%
Dividend per share <sup>2</sup> (RMB)	0.4170	0.4043	3.1%

Note 1: Net profit represented profit attributable to equity shareholders of the Company.

Note 2: The proposed 2025 final dividend of RMB0.1329 per share is subject to approval by the shareholders at the annual general meeting. Together with the interim dividend of RMB0.2841 per share already paid, total dividend for the year is RMB0.4170 per share.


**FREE CASH FLOW<sup>1</sup>**  
(RMB BIL)

2025  
**36.0**  
Λ28.5%




**DATA CENTRE REVENUE**  
(RMB BIL)

2025  
**28.1**  
Λ8.5%



**INTERNATIONAL BUSINESS REVENUE** (RMB BIL)

2025  
**13.6**  
Λ9.2%



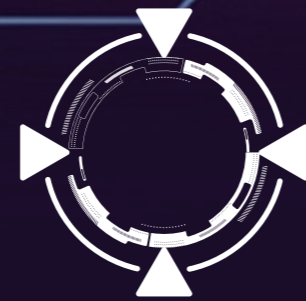
**5G PRIVATE NETWORK REVENUE** (RMB BIL)

2025  
**12.3**  
Λ51%



1. Free cash flow represents operating cash flow less capital expenditure. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.

# Major Events



## JANUARY 2025

China Unicom Yuanjing RAG\* technology was among the first batch to pass the evaluation by the China Academy of Information and Communications Technology (CAICT) and received the highest 4+ rating, it has been successfully deployed across multiple projects for both China Unicom and external enterprise clients, serving as a key engine for supporting enterprises' intelligent transformation.

\* Retrieval-Augmented Generation

## MAY 2025

China Unicom launched post-quantum security mobile phone, marking a major breakthrough in communications security in the quantum era.

## OCTOBER 2025

China Unicom officially received regulatory approval to conduct commercial trial operations for eSIM mobile services, marking another key milestone following the Company's years of technological accumulation and practical exploration in the eSIM field.

China Unicom outlined the 6G green network development vision of "Intelligent and Simplified — Green Energy and Carbon Reduction", setting clear emissions-reduction targets and supporting the industry's communications-related decarbonization goals toward 2030.

## DECEMBER 2025

The nation's first National AI Application Pilot-Scale Testing Base focusing on mobile terminals was officially unveiled. China Unicom played an important role in the base's development, helping enterprises accelerate digital and intelligent upgrades from R&D and design through to manufacturing.

China Unicom UniAI Wanwu Government Intelligent Agent Development Platform received the highest 4+ rating from the China Academy of Information and Communications Technology (CAICT), demonstrating industry-leading capabilities across core functions, business scenarios, and service applications.

# Chairman's Statement



Dear Shareholders,

Concluding the "14th Five-Year Plan" and planning for the "15th Five-Year Plan", the Company adhered to the keynote of "Preserve and Innovate, Steady and Far-Reaching". Focusing on the four core arenas of "connectivity", "computing power", "service", and "security", we made solid strides in high-quality development.

**Dong Xin**

Chairman and Chief Executive Officer

## OVERALL RESULTS

**Achieving stability with preservation.** Operating revenue reached RMB392.2 billion. Profit before income tax was RMB25.5 billion. Return on equity<sup>1</sup> reached 5.7%, and free cash flow<sup>2</sup> reached RMB36.0 billion, representing a year-on-year increase of 28.5%. **Seeking long-term growth through innovation.** Seizing opportunities from the new round of technological and industrial innovation, the Company implemented "AI+" initiatives. Revenue contribution from strategic emerging industries reached over 86%. The computing power business revenue<sup>3</sup> ratio reached over 15%, representing an increase of 1.1 percentage points over the previous year. AI revenue<sup>4</sup> grew by over 140% year-on-year. International business revenue reached RMB13.6 billion, representing year-on-year growth of over 9%. The Company's capital expenditure (CAPEX) for the full year was RMB54.2 billion, with the ratio of CAPEX to service revenue declining to 16%. By deepening co-build co-share and building an ultra-lean network, about RMB1.35 billion in operating costs were saved annually, enhancing investment efficiency. The CAPEX for 2026 is expected to be approximately RMB50 billion, of which investment in computing power will account for more than 35%.

The Company's achievement of these decent results would not have been possible without the long-term trust of our customers and shareholders, nor the full support of the society. These results are attributable to our proactive efforts and pursuit of excellence across four core arenas.

## ENHANCING THE BREADTH AND DEPTH OF "CONNECTIVITY"

As the foundation of the Company, "connectivity" serves as the "stabiliser" for our overall revenue and profit. We improved network coverage, enhanced network quality, and extended connectivity from mobile and broadband networks to Internet of Things (IoT), Internet of Vehicles (IoV) and Industrial Internet, as well as driving evolution towards low-altitude intelligent Internet and satellite Internet to meet the demand for high-speed, ubiquitous, intelligent, efficient, stable and reliable connectivity.

**Enhancing network capabilities.** We implemented the "Signal Upgrade" and "Broadband Upgrade" initiatives and bolstered efforts in network co-build, co-share, co-maintain and co-optimize. Our mobile network population coverage rate exceeded 99%, and the network experience in key scenarios were recognised by customers. 5G-A base stations were deployed in more than 330 cities. We promoted gigabit broadband capacity expansion and 10-gigabit broadband upgrade, with nearly 90% of our broadband ports being gigabit-ready. Pre-commercial trials of 10-gigabit optical fibre networks have been launched in more than 100 cities. We also made deployments in frontier fields such as 6G and quantum communications, and launched quantum-secure leased lines.

# Chairman's Statement

**Expanding connectivity scenarios.** The Company's total connectivity subscriber scale<sup>5</sup> exceeded 1.2 billion, representing an increase of 110 million from the previous year. We insisted on the integrated development of broadband and mobile services, achieving a net addition of over 20 million subscribers. The integrated business penetration rate exceeded 78% with the ARPU of integrated packages remaining at over RMB100. We accelerated scenario-oriented transformation. The number of IoT connections exceeded 700 million, and we consolidated our leading advantage in the IoV market. 5G private network revenue reached RMB12.3 billion, representing year-on-year growth of over 50%. Seizing opportunities in the low-altitude economy, we built a low-altitude intelligent network that integrates communication, sensing, navigation, and computing. We obtained the operating permit for satellite mobile communication services and promoted the scale development of satellite direct-to-device applications.

In the future, with "connectivity" as our foundation, we will iteratively upgrade communication technologies, precisely and efficiently build network infrastructure, and enhance the breadth, depth, and precision of our coverage. We will improve the robustness of connectivity, deepen scale-based value operation, and build unobstructed information "arteries" and "neurons" for economic and social development.

## **PROVIDING FASTER AND MORE PRECISE "COMPUTING POWER"**

"Computing power" unleashes the Company's innovation momentum and is the "booster" for revenue growth. We strengthened computing-network as well as cloud-network integration, bolstered the tiered deployment, orchestration and allocation of computing power resources, enhanced the competitiveness of Unicom Cloud, and supported the R&D and application of Big Data and artificial intelligence, seizing new industry opportunities with new technological capabilities.

**Building intelligent computing clusters.** Data centre revenue was RMB28.1 billion, representing an increase of 8.5% year-on-year. We strengthened resource buildout at the "Eastern Data, Western Computing" hub nodes and green computing-power coordination demonstration provinces. The number of standard cabinets<sup>6</sup> exceeded 1.10 million, and seven 100 MW-grade AIDC campuses have been built. The utilisation rate of cabinets exceeded 72%, and the scale of intelligent computing reached 45 EFLOPS. We accelerated the construction of the new "Eight Vertical and Eight Horizontal" backbone optical fibre cable network, adding more than 9,000 kilometres to achieve the interconnection of computing power hub nodes and serve coordinated regional development.

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**Upgrading Unicom Cloud.** We accelerated the evolution of Unicom Cloud towards AI cloud, deepened hyperscale intelligent cloud-native implementations, enhanced centralised orchestration and allocation capabilities, and built a new computing power business model of “applications + models + resources”, supporting the construction of government clouds for over 180 provinces and municipalities, empowering the digital and intelligent transformation of nearly 400,000 corporate customers, establishing the brand image of “AI Smart Select Unicom Cloud”. Unicom Cloud revenue<sup>7</sup> increased by 5.2% year-on-year.

**Open digital intelligence platform.** The Company constructed national AI application pilot bases and launched the UniAI Wanxiang data engineering platform, the UniAI MaaS platform, and the UniAI Wanwu intelligent agent platform. With these platforms, it formed over 400 TB of high-quality datasets, offered over 140 mainstream models, and gathered more than 10,000 developers to help customers rapidly build intelligent agent applications.

In the future, focusing on “computing power”, we will build out our computing power infrastructure in a moderately advance manner, and enhance the integrated operations of our computing power service platform. We will use new algorithms and technologies to promote the integrated development of cloud, network, edge, and terminals, making computing power accessible on demand like water and electricity, thereby creating a core engine for new quality productivity.

## OFFERING MORE TAILORED AND REFINED SERVICES

“Services” expands the scale value of the Company and serves as an “accelerator” for revenue growth. We emphasised an application-oriented approach, relying on our centralised product R&D capabilities and localised fulfilment and operation teams to promote the integrated innovation of digital technologies such as 5G and AI. We created differentiated products and high-quality services, enhanced customer perception, and strengthened our brand influence and industry leadership.

**Facilitating digital consumption.** We enriched our cloud-AI products, which served over 300 million users with revenue increasing by more than 11% year-on-year. We promoted innovation in eSIM applications, benefiting nearly 3 million users. We created the smart home hub “UniBOX Tongtong” to provide a new experience of digital smart living. We launched a customer service AI agent, with smart customer service ratio reaching over 85%.

# Chairman's Statement

**Serving new industrialisation.** We upgraded the "5G + Industrial Internet" product system. The Gewu Industrial Internet Platform was consecutively named as a national Class A cross-industry and cross-domain platform, supporting the unified management and collaborative operation of over ten thousand embodied intelligence robots. We strengthened integrated IoV operation, serving over 95 million vehicles and facilitating the overseas expansion of new energy vehicles.

**Empowering digital government.** We iterated key products such as economic development platform, AI call centre (AICC), and "Labour Connect" smart governance platform to help enhance the government's economic regulation, administrative services, and labour governance.

**Accelerating international development.** We enhanced the capacity of Asia-Pacific, Asia-Americas, and Asia-Africa-Europe backbone channels. We promoted the internationalisation of our smart home products. We implemented benchmark projects such as smart manufacturing in ASEAN, smart warehousing in the Middle East, smart mining in Africa, and smart ports in Europe, facilitating the high-quality joint construction of the "Belt and Road" initiative.

**Reshaping brand system.** We demonstrated the strength of our corporate brands "China Unicom" and "UniCom", enhanced the recognition of our customer brands "Unicom Smart Home", "Unicom WO Pai", and "Unicom Smart Business", and elevated the value of our product brands "Unicom Cloud", "UniAI", "Unicom Yunxi", "Unicom Gewu", and "Unicom Mogong".

In the future, we will be service-oriented. Focusing on scenario-based and personalised customer needs, we will strengthen product innovation and deepen intelligent operations. We aim to accurately identify, rapidly understand, and efficiently satisfy demand, achieving "one enterprise, one policy" and "one person, one screen, one privilege", in order to act as a service provider that reaches thousands of households and penetrates various industries.

## **BUILDING MORE ROBUST AND STRONGER "SECURITY"**

"Security" manifests the Company's mission and responsibility. It is the "support" of the Company's steady and long-term growth. We adhered to bottom-line and worst-case scenario thinking, safeguarded national security, and enhanced industrial chain resilience, so as to ensure the Company's stable operations, showing commitment to "top national priority" and our "corporate duty".

**Strengthening our technological power.** We promoted AI-powered security as well as the security of AI, achieving deep integration of artificial intelligence and data security, and was the first and only enterprise to pass the highest-level accreditation of the national Data Security Maturity Model (DSMM).

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**Activating product momentum.** The Company built a network security product system around its “Mogong” security operation service platform, providing customised solutions and creating a growth driver for its security business. We launched the Unicom Security Guardian, which served 210 million users and offered peace of mind in communication and safeguarded property security.

**Fostering a prosperous industrial ecosystem.** Establishing an integrated development platform for the cybersecurity industry, we joined hands with more than 300 cybersecurity enterprises to form an industrial development paradigm led by central state-owned enterprises with support from large, medium, and small enterprises.

**Ensuring communications security.** We successfully completed major communication support tasks for the Fourth Plenary Session of the 20th CPC Central Committee, the Two Sessions, the 80th anniversary of the victory of the War of Resistance, the Harbin Asian Winter Games, and the 15th National Games. These efforts reinforced and demonstrated our leading support capabilities and sharpened our brand as a “Model Central State-owned Enterprise” for major event support.

In the future, we will use “security” as our shield, implement a holistic view of national security, adhere to the security bottom line, reinforce the safety defense line, and enhance technological advancement and reliability. We will transform our security capabilities into security value that is perceivable by customers and safeguard the high-quality development of the economy and society.

## **ACTIVELY FULFILLING CORPORATE SOCIAL RESPONSIBILITY**

The Company was recognised as “Most Committed to ESG in China” by FinanceAsia and was awarded the “Sustainable Asia Award” at the “15th Asian Excellence Awards 2025” organised by Corporate Governance Asia. Adhering to green development, the Company promoted the application of energy-saving technologies. Energy consumption per unit of data traffic decreased by 12.9% year-on-year and the power usage effectiveness (PUE) of our data centres improved by 5% year-on-year. We engaged in public welfare services, sending over 50 billion public welfare SMSs and emergency messages during the year. We also promoted the construction of digital villages and empowered the upgrade of the agricultural industry, implementing over 2,500 benchmark projects. Corporate governance was improved, and the Company was named “Most Honored Telecom Company” by Extel (formerly Institutional Investor) for ten consecutive years.

# Chairman's Statement

## SHAREHOLDER RETURNS

The Company attaches great importance to shareholder returns. While achieving steady growth in operating results, the Company is committed to sharing the fruits of development with shareholders. The Board of Directors proposed a final dividend<sup>8</sup> of RMB0.1329 per share (pre-tax). Together with the interim dividend of RMB0.2841 per share (pre-tax) already paid, the total dividend for 2025 will be RMB0.417 per share (pre-tax), representing a year-on-year increase of 3.1%, with the dividend payout ratio increasing to 61.3%.

## OUTLOOK

There is an ancient Chinese saying: "Concluding and commencing constitute change. Streaming and flowing lead the way." The Two Sessions concluded recently have brought significant development opportunities for the information and communications industry, instilling confidence in the Company's high-quality development during the "15th Five-Year Plan" period. In 2026, the Company will remain committed to its founding aspiration and mission, and adhere to the keynote of "Preserve and Innovate, Steady and Far-reaching", focusing on the core arenas of "connectivity", "computing power", "service" and "security". It will pursue a differentiated development path in order to promote new achievements in its high-quality development, creating greater value for shareholders, customers and the society.

Finally, on behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders, customers and all sectors of society for their long-standing care and support for the Company, and to all employees for their continuous efforts and contributions!



**Dong Xin**

*Chairman and Chief Executive Officer*

Hong Kong, 19 March 2026

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Note 1: Return on equity(ROE) = Profit attributable to equity shareholders of the Company during the period/  
Average balance of equity attributable to equity shareholders of the Company at the beginning and end  
of the period.

Note 2: Free cash flow represents operating cash flow less capital expenditure. However, it is a non-GAAP  
financial measure which does not have a standardised meaning and therefore may not be comparable to  
similar measures presented by other companies.

Note 3: Computing power business revenue = computing service revenue + data centre revenue. Computing power  
business revenue ratio = computing power business revenue/service revenue.

Note 4: AI revenue mainly includes revenue from intelligent computing services, model and agent applications,  
data services and related businesses.

Note 5: Total connectivity subscriber scale = aggregate number of mobile billing subscribers + aggregate number  
of fixed-line broadband subscribers + aggregate number of fixed-line local access subscribers +  
aggregate number of Internet-of-things terminal connections + aggregate number of networking leased  
line subscribers.

Note 6: Number of standard cabinets is calculated based on 2.5 kW per cabinet.

Note 7: Unicom Cloud revenue includes revenue from cloud IDC, cloud resources, cloud platform, cloud service,  
cloud integration, cloud interconnection, cloud security, etc. generated from integrated innovative  
solutions.

Note 8: The proposed 2025 final dividend is subject to approval at the annual general meeting of the Company.

# Business Overview

In 2025, China Unicom adhered to the principle of seeking progress while maintaining stability and promoting stability through progress, earnestly fulfilled its economic, political, and social responsibilities, and actively exerted its influence in technological innovation, industrial control, and security support. The pace of high-quality development increasingly stepped up, achieving a sound conclusion to the "14th Five-Year" and laying a solid foundation for a good start to the "15th Five-Year".

**The connectivity business achieved steady development. Firstly, the Company made every effort to stabilise operations and promote development, achieving positive progress in coordinating effective quality enhancement and reasonable quantity growth.** The total number of connectivity subscribers continued to increase, with the scale of mobile and broadband subscribers reaching a historical high. Mobile billing subscriber scale exceeded 357 million, with a cumulative net increase of 13.32 million. Fixed-line broadband subscriber scale exceeded 129 million, with a cumulative net increase of 7.61 million. **Secondly, the Company drove integrated development through breakthroughs in broadband and solidified the foundation for sustainable development.** Through the implementation pathway of “expanding the scale of broadband, adding new elements via integration, promoting development via integration, and enhancing value via integration”, the Company implemented precise strategic adjustments. The subscriber quality continued to improve, and the subscriber structure was continuously optimised. The penetration rate of integrated business increased to 78.3%, and the value of new mobile and broadband subscribers was better than last year. **Thirdly, the Company penetrated family integration business through product innovation and created a second revenue growth curve.** The Company actively seized opportunities in artificial intelligence development, deepened “AI + product innovation”, strengthened multi-application integration and multi-scenario integration, and accelerated the cloudification and intelligent upgrade of smart home products. It focused on core smart home portals and control hubs, and rolled out various deeply customised terminal products such as “UniBOX Tongtong”. The development of Cloud-AI products such as Unicom Cloud Drive, Unicom UHD, Unicom Home Monitoring, and Cloud-AI handsets/computers accelerated, with Cloud-AI products users exceeding 300 million, gradually forming a new momentum for revenue growth. **The Company accelerated the integration of “terminal, network, cloud, intelligence and security”, achieving continuous breakthroughs in the Internet of Things (IoT) business.** The scale of IoT connections reached 720 million, with an increase of 98.33 million. Expansion in the new energy vehicle market achieved significant results, capturing over a 65% share of new connections.

**Computing power business grew in scale. Firstly, the Company built intelligent computing clusters.** It strengthened resource buildout at the “Eastern Data, Western Computing” hub nodes and green computing-power coordination demonstration provinces. The number of standard cabinets<sup>1</sup> exceeded 1.10 million, and seven 100 MW-grade AIDC campuses have been built. The scale of intelligent computing reached 45 EFLOPS. The Company accelerated the construction of the new “Eight Vertical and Eight Horizontal” backbone optical fibre cable network, adding more than 9,000 kilometres to achieve the interconnection of computing power hub nodes and serve coordinated regional development. **Secondly, the Company upgraded Unicom Cloud.** It accelerated the evolution of Unicom Cloud towards AI cloud, deepened hyperscale intelligent cloud-native implementations, enhanced centralised orchestration and allocation capabilities, and built a new computing power business model of “applications + models + resources”, supporting the construction of government clouds for over 180 provinces and municipalities, empowering the digital and intelligent transformation of nearly 400,000 corporate customers, establishing the brand image of “AI Smart Select Unicom Cloud”. **Thirdly, the Company opened digital intelligence platform.** The Company constructed national AI application pilot bases and launched the UniAI Wanxiang data engineering platform, the UniAI MaaS platform, and the UniAI Wanwu intelligent agent platform. With these platforms, it formed over 400 TB of high-quality datasets, offered over 140 mainstream models, and gathered more than 10,000 developers to help customers rapidly build intelligent agent applications.

## Business Overview

**Customer service quality was further enhanced. Firstly, the Company deepened convenient services to convey “Unicom warmth”.** The Company implemented the requirement of the Ministry of Industry and Information Technology to “let the achievements of information and communications development benefit people more extensively and effectively”, rolled out the “ten things” of heart-warming services, and carried out activities such as “clear pricing and worry-free usage” to enhance service standards. **The 10010 hotline launched warm service campaigns** and optimised processes to deliver precise services. The Company successfully completed communication support with dedicated personnel during major events such as the “Two Sessions” and the “Asian Winter Games”, while providing exclusive services for seniors and “Double Support” groups. **Business outlets comprehensively deepened service transformation**, improved processing efficiency, shortened waiting times, constructed a new smart service ecosystem, and provided senior-friendly and anti-fraud services. **The China Unicom APP continued to expand its service scenarios**, strengthened the transparent display of tariffs and service guidance, with monthly active users exceeding 110 million. **The Company enhanced the experience of government and enterprise customers to empower their digital transformation.** Serving new industrialisation, the Company served more than 9,000 5G factories, and revenue from 5G private network projects reached RMB12.3 billion with a year-on-year growth of 51%. Empowering digital government, the Company iterated the economic development platform, effectively assisting the scientific macroeconomic decision-making for more than 20 ministries and commissions and more than 20 provinces. **Secondly, the Company innovated intelligent services and shaped “Unicom Intelligence”.** The Company launched the “Tongtong Customer Service AI Agent”, serving 177 scenarios with multi-modal interaction. This initiative drove the upgrade of services from “standardised responses” to “personalised dialogue”, achieving more intuitive information inquiries, more convenient transaction processing, and faster problem resolution.

**Security business capabilities were continuously strengthened. Firstly, the Company enhanced security capabilities.** The Company established a full-stack AI security protection system and was the first and only enterprise to pass the highest-level accreditation of the national Data Security Maturity Model (DSMM), with its data security management capabilities reaching the leading level in China. **Secondly, the Company constructed a secure ecosystem.** Relying on the “Mogong” security operation service platform, the Company implemented over 200 security projects. “Security Hub”, as the first domestic cybersecurity product market platform, has served more than 27,000 customers.

**Network connectivity capability continued to improve. Firstly, the Company deepened co-build co-share**, with the number of 5G mid-band base stations exceeding 1.54 million and that of low-band base stations in service exceeding 1 million, significantly improving deep coverage in key scenarios. **Secondly, broadband coverage continued to improve**, with the number of broadband ports exceeding 280 million and the overall urban residential coverage rate exceeding 96%. The proportion of 10G PON increased by 4.5pp to 86%. Preliminary deployment of Broadband Network Cores (BNC) was completed in 20 cities in 14 provinces with advanced network architecture, leading to a significantly enhanced capability for integrated business innovation. **Thirdly, the integrated deployment of new intelligent computing infrastructure has initially taken shape**. AIDC underwent intelligent transformation and renewal, with the number of standard cabinets exceeding 1.1 million. Large-scale campuses covered the eight major national hub nodes, and 31 provincial capitals and key cities were equipped with resources of over a thousand cabinets. The scale of intelligent computing reached 45 EFLOPS, effectively ensuring the development of the intelligent computing business, with backbone cloud pools covering 252 cities. **Fourthly, resource supply effectively supported market development**. The Company supported the upgrade of 5G-A capabilities, with 5G-A carrier aggregation rolled out in all cities nationwide, and RedCap launched at scale in over 300 cities. The Company ensured the reconstruction of the broadband integration system in Southern China and coverage of various market segments, with the resource penetration rate of newly delivered residential communities reaching 95.8%. Cloud-AI products achieved the four 10 million development goals and completed the resource deployment nationwide to meet the needs of rapid business growth. **Fifthly, the cybersecurity foundation continued to be strengthened**. The new "Eight Vertical and Eight Horizontal" backbone optical cable network added over 9,000 kilometres of lit fibre, and the coverage of the 400G backbone transmission network continued to be strengthened. The Company completed the critical task of ultra-lean network construction, fully concluding the construction of aggregation zones in Northern China, while the completion rate in Southern China reached 75%, resulting in annualised OPEX savings of RMB1.35 billion, and further strengthening network security and stability.

Note 1: Number of standard cabinets is calculated based on 2.5 kW per cabinet.

# Financial Overview

## OVERVIEW

In 2025, the Company pursued progress while maintaining stability and promoting stability through progress, achieving steady revenue growth, continuously enhancing profitability, and optimising its development structure.

Total operating revenue was RMB392.22 billion in 2025, up by 0.7% year-on-year. Service revenue reached RMB347.74 billion, up by 0.5% year-on-year. The profit attributable to equity shareholders of the Company was RMB20.82 billion, up by 1.0% year-on-year.

In 2025, the Company's net cash inflow from operating activities was RMB90.17 billion. Capital expenditure was RMB54.15 billion. Liabilities-to-assets ratio was 44.6% as at 31 December 2025.

## OPERATING REVENUE

In 2025, the Company's operating revenue was RMB392.22 billion, up by 0.7% year-on-year, of which, service revenue was RMB347.74 billion, up by 0.5% year-on-year.

## OPERATING COSTS

In 2025, operating costs of the Company amounted to RMB373.63 billion, was basically unchanged year-on-year.

The table below sets forth the items of the Company's operating costs and the changes in their respective percentage of the operating revenue for the years 2025 and 2024:

(RMB in billions)	2025		2024	
	Total amount	As a percentage of operating revenue	Total amount	As a percentage of operating revenue
Operating costs	373.63	95.3%	373.56	95.9%
Include: Interconnection charges	11.04	2.8%	11.22	2.9%
Depreciation and amortisation	80.83	20.6%	83.39	21.4%
Network, operation and support expenses	65.23	16.6%	64.32	16.5%
Employee benefit expenses	66.55	17.0%	64.93	16.7%
Costs of telecommunications products sold	42.94	10.9%	42.47	10.9%
Selling and marketing expenses	37.41	9.6%	36.98	9.5%
General and administrative expenses	5.00	1.3%	5.12	1.3%
Other operating expenses	64.63	16.5%	65.13	16.7%

### OPERATING REVENUE (RMB BIL)

392.22

# Financial Overview

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## **Interconnection charges**

The interconnection charges were RMB11.04 billion in 2025, down by 1.7% year-on-year and, as a percentage of operating revenue, decreased from 2.9% in 2024 to 2.8% in 2025.

## **Depreciation and amortisation**

Mainly benefiting from precise investment, deepened network "co-build co-share", development of a simplified network, and the adjustment of the depreciation period for 4G wireless-related equipment in recent years, depreciation and amortisation charges were RMB80.83 billion in 2025, down by 3.1% year-on-year and, as a percentage of operating revenue, decreased from 21.4% in 2024 to 20.6% in 2025.

## **Network, operation and support expenses**

The Company has focused on improving network operation efficiency, with further enhancement in resource utilisation, network, operation and support expenses were RMB65.23 billion in 2025, up by 1.4% year-on-year and, as a percentage of operating revenue, increased from 16.5% in 2024 to 16.6% in 2025.

## **Employee benefit expenses**

Employee benefit expenses were RMB66.55 billion in 2025, up by 2.5% year-on-year and, as a percentage of operating revenue, increased from 16.7% in 2024 to 17.0% in 2025.

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### **Cost of telecommunications products sold**

Costs of telecommunications products sold were RMB42.94 billion and revenue from sales of telecommunications products were RMB44.48 billion in 2025. Gross profit on sales of telecommunications products was RMB1.54 billion.

### **Selling and marketing expenses**

The Company has continuously optimised the marketing costs, selling and marketing expenses were RMB37.41 billion in 2025, up by 1.2% year-on-year and, as a percentage of operating revenue increased from 9.5% in 2024 to 9.6% in 2025.

### **General and administrative expenses<sup>1</sup>**

The Company has advanced quality improvement and efficiency enhancement in depth, and strengthened lean management, general and administrative expenses were RMB5.00 billion in 2025, down by 2.3% year-on-year and, as a percentage of operating revenue basically unchanged.

### **Other operating expenses**

Other operating expenses were RMB64.63 billion in 2025, down by 0.8% year-on-year and, as a percentage of operating revenue, decreased from 16.7% in 2024 to 16.5% in 2025.

## Financial Overview

## EARNINGS

(RMB in billions)	2025 Total amount	2024 Total amount	Change
Operating profit	18.59	16.03	16.0%
Net finance gains	0.50	0.20	151.5%
Share of net profit of associates	2.67	2.59	3.0%
Share of net profit of joint ventures	1.49	1.48	0.4%
Other income-net	2.21	4.95	-55.3%
Profit before income tax	25.45	25.25	0.8%
Income tax expenses	4.54	4.52	0.5%
Profit attributable to equity shareholders of the Company	20.82	20.61	1.0%

#### Profit before income tax

In 2025, the Company focused on the primary task of high-quality development, and achieved steady growth in its operating performance, profit before income tax was RMB25.45 billion, up by 0.8% year-on-year.

#### Income tax expenses

In 2025, the Company's income tax expenses were RMB4.54 billion and the effective tax rate was 17.8%.

#### Profit attributable to equity shareholders of the Company

In 2025, the profit attributable to equity shareholders of the Company was RMB20.82 billion, up by 1.0% year-on-year. Basic earnings per share was RMB0.680, up by 1.0% year-on-year.

## EBITDA<sup>2</sup>

In 2025, the Company's EBITDA was RMB99.42 billion, and the EBITDA as a percentage of service revenue was 28.6%.

## CAPITAL EXPENDITURE AND CASH FLOW

In 2025, the Company made moderate, precise and efficient investments, capital expenditure of the Company totaled RMB54.15 billion. The Company's net cash inflow from operating activities in 2025 was RMB90.17 billion. Free cash flow<sup>3</sup> was RMB36.02 billion after deducting capital expenditure for the year, up by 28.5% year-on-year.

## BALANCE SHEET

The Company's total assets changed from RMB671.24 billion as at 31 December 2024 to RMB669.62 billion as at 31 December 2025. Total liabilities changed from RMB307.67 billion as at 31 December 2024 to RMB298.75 billion as at 31 December 2025. The liabilities-to-assets ratio was 44.6% as at 31 December 2025, down by 1.2 percentage point compared to last year. The Company's interest-bearing borrowings were RMB5.48 billion. The debt-to-capitalisation ratio decreased from 10.2% as at 31 December 2024 to 8.4% as at 31 December 2025. The net debt-to-capitalisation ratio was 2.2% as at 31 December 2025.

Note 1: General and administrative expenses excludes staff costs and depreciation.

Note 2: EBITDA represents profit for the year before finance costs, interest income, shares of net profit of associates, share of net profit of joint ventures, other income-net, income tax expense, depreciation and amortisation. As the telecommunications business is a capital intensive industry, capital expenditure and finance costs may have a significant impact on the net profit of the companies with similar operating results. Therefore, the Company believes that EBITDA may be helpful in analysing the operating results of a telecommunications service operator like the Company. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.

Note 3: Free cash flow represents operating cash flow less capital expenditure. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.

# Recognition and Awards



For more information, please visit the Company's website at [www.chinaunicom.com.hk](http://www.chinaunicom.com.hk)



*Directors*  
and  
Senior Management



**Dong Xin**

Chairman and Chief Executive Officer

Aged 59, holds a master's degree in Financial and Accounting Management and a doctoral degree in Business Administration, was appointed in January 2026 as Chairman and Chief Executive Officer of the Company. Mr. Dong Xin served as General Manager of Finance Department of China Mobile Communications Group Co., Ltd., Chairman and General Manager of China Mobile Group Hainan Co., Ltd., General Manager of the Planning Department of China Mobile Communications Group Co., Ltd., Chairman and General Manager of China Mobile Group Henan Co., Ltd., Chairman and General Manager of China Mobile Group Beijing Co., Ltd., Vice President and Chief Accountant of China Mobile Communications Group Co., Ltd., Director and President of China Mobile Communications Group Co., Ltd., Executive Director and Chief Executive Officer of China Mobile Limited, Deputy Director General of the National Radio and Television Administration. Mr. Dong Xin is currently the Chairman of China United Network Communications Group Company Limited ("Unicom Group"), China United Network Communications Limited ("A Share Company") and China United Network Communications Corporation Limited ("CUCL"). Mr. Dong Xin has extensive experience in management and the telecommunications industry.

## Directors and Senior Management



**Jian Qin**

Executive Director and President

Aged 60, a postgraduate with a doctorate degree in Economics, was appointed in April 2024 as an Executive Director and President of the Company. Mr. Jian served as Chairman and General Manager of China Mobile Group Jiangxi Co., Ltd., China Mobile Group Sichuan Co., Ltd. and China Mobile Group Guangdong Co., Ltd., Vice President of China Mobile Communications Group Co., Ltd. and China Mobile Limited, Director and Vice President of China Mobile Communication Co., Ltd., non-executive director of Phoenix Media Investment (Holdings) Limited, Director of China Post Group Corporation Limited. Mr. Jian also serves as a Director and General Manager of Unicom Group, a Director and President of A Share Company, as well as a Director and President of CUCL. Mr. Jian has extensive experience in management and the telecommunications industry.



### Tang Yongbo

Executive Director

Aged 52, a postgraduate with a master's degree in Business Administration, was appointed in June 2025 as an Executive Director of the Company. Mr. Tang served as Deputy General Manager and General Manager of Hunan Branch of China Unicom, General Manager of Marketing Department of Unicom Group, Vice General Manager of Unicom Group, Senior Vice President of the Company, Senior Vice President of A Share Company, Senior Vice President of CUCL, a Non-Executive Director of China Tower Corporation Limited. He was a Deputy to the 13th National People's Congress. Mr. Tang is currently a Non-Executive Director of China Communications Services Corporation Limited (listed on the Hong Kong Stock Exchange), a Non-Executive Director of HKT Limited (HKT Trust and HKT Limited are listed on the Hong Kong Stock Exchange) and HKT Management Limited (the trustee manager of the HKT Trust), a Non-Executive Director and the Deputy Chairman of the Board of PCCW Limited (listed on the Hong Kong Stock Exchange with an American Depositary Receipts trading on OTC Markets Group Inc.), a Director of Unicom Group, a Director of A Share Company, as well as a Director of CUCL. Mr. Tang has extensive experience in management and the telecommunications industry.

## Directors and Senior Management



### Li Yuzhuo

Executive Director and Chief Financial Officer

Aged 53, a postgraduate with a master's degree in Business Administration, was appointed in February 2022 as an Executive Director and Chief Financial Officer of the Company. Ms. Li served as Director of the Finance Department of China ENFI Engineering Corporation Limited, Vice President of China ENFI Engineering Corporation, Head of the Capital Department and Secretary of the Board of Directors of China Metallurgical Group Corporation (Metallurgical Corporation of China Limited), and Head of the Capital Operation Department of China Minmetals Corporation. Ms. Li is currently Chief Accountant of Unicom Group, Financial Controller of A Share Company, the Director and the Chief Financial Officer of CUCL, as well as a Director of certain member of the Group. Ms. Li has extensive experience in financial investment and capital operation.



**Hao Liqian**

Senior Vice President

Aged 54, a postgraduate with a master's degree in Business Administration, was appointed in September 2024 as a Senior Vice President of the Company. Mr. Hao served as General Manager of Jinan Municipal Branch of China Unicom, General Manager of Hainan Branch of China Unicom, General Manager of Hebei Branch of China Unicom, and General Manager of Guangdong Branch of China Unicom. Mr. Hao is currently a Vice General Manager of Unicom Group, a Senior Vice President of A Share Company, a Director and Senior Vice President of CUCL. Mr. Hao has extensive experience in management and the telecommunications industry.

# Directors and Senior Management



**Miao Shouye**

Senior Vice President

Aged 48, a university graduate with a master's degree in Engineering, was appointed in June 2025 as a Senior Vice President of the Company. Mr. Miao served as Deputy General Manager of Hubei Branch of China Unicom, Deputy Director of 5G Promotion Office of China Unicom, Director of 5G Co-build Co-share Working Group of Unicom Group, and General Manager of the Network and Information Security Department of Unicom Group. Mr. Miao is currently a Non-Executive Director of China Tower Corporation Limited (listed on the Hong Kong Stock Exchange), a Vice President of Unicom Group, a Senior Vice President of A Share Company, as well as a Director and Senior Vice President of CUCL. Mr. Miao has extensive experience in management and the telecommunications industry.



**Zhu Hanwu**

Senior Vice President

Aged 53, a university graduate with a master's degree in Business Administration, was appointed in June 2025 as a Senior Vice President of the Company. Mr. Zhu served as Director and Deputy General Manager of China Mobile Group Guangdong Co., Ltd., Chairman and General Manager of China Mobile Group Hainan Co., Ltd., Chairman and General Manager of China Mobile Group Shandong Co., Ltd.. Mr. Zhu is currently a Vice President of Unicom Group, a Senior Vice President of A Share Company, a Director and Senior Vice President of CUCL, as well as a Director of certain member of the Group. Mr. Zhu has extensive experience in management and the telecommunications industry.

## Directors and Senior Management



**Cheung Wing Lam Linus**

Independent Non-Executive Director

Aged 77, was appointed in May 2004 as an Independent Non-Executive Director of the Company. Mr. Cheung is an Independent Non-Executive Director of HKR International Limited (listed on the Hong Kong Stock Exchange). Mr. Cheung was a member of the University of Hong Kong Council, Chairman of the University of Hong Kong School of Professional and Continuing Education, Chairman of Asia Television Limited, Deputy Chairman of PCCW Limited, Independent Non-Executive Directors of Taikang Life Insurance Company Limited and Sotheby's, as well as President of the Chartered Institute of Marketing (Hong Kong Region). Prior to the merger of Pacific Century Cyberworks Limited and Hong Kong Telecom Limited, Mr. Cheung was the Chief Executive of Hong Kong Telecom Limited and an Executive Director of Cable & Wireless plc in the United Kingdom. Mr. Cheung worked at Cathay Pacific Airways for 23 years, leaving as Deputy Managing Director. He was appointed an Official Justice of the Peace in 1990 and a Non-official Justice of the Peace in 1992. Mr. Cheung received a bachelor's degree in social sciences and a diploma in management studies from the University of Hong Kong. He is also an Honorary Fellow of the University of Hong Kong and of The Chartered Institute of Marketing in the United Kingdom.



### Chung Shui Ming Timpson

Independent Non-Executive Director

Aged 74, was appointed in October 2008 as an Independent Non-Executive Director of the Company. Mr. Chung is the Pro-Chancellor of the City University of Hong Kong. Besides, Mr. Chung is an Independent Non Executive Director of The Miramar Hotel and Investment Company, Limited, China Overseas Grand Oceans Group Limited, Orient Overseas (International) Limited and Postal Savings Bank of China Co., Limited (all listed on the Hong Kong Stock Exchange). From October 2004 to October 2008, Mr. Chung served as an Independent Non-Executive Director of China Netcom Group Corporation (Hong Kong) Limited. Formerly, he was the Chairman of China Business of Jardine Fleming Holdings Limited and the Deputy Chief Executive Officer of BOC International Limited. He was also the Director-General of Democratic Alliance for the Betterment and Progress of Hong Kong, the Chairman of the Advisory Committee on Arts Development, the Chairman of the Council of the City University of Hong Kong, the Chairman of the Hong Kong Housing Society, a member of the Executive Council of the Hong Kong Special Administrative Region, the Vice Chairman of the Land Fund Advisory Committee of Hong Kong Special Administrative Region Government, a member of the Managing Board of the Kowloon-Canton Railway Corporation, a member of the Hong Kong Housing Authority, a member of the Disaster Relief Fund Advisory Committee, a member of the National Committee of the 10th to 13th Chinese People's Political Consultative Conference, an Independent Non-Executive Director of Henderson Land Development Company Limited, Nine Dragons Paper (Holdings) Limited, China Construction Bank Corporation, Jinmao Hotel and Jinmao (China) Hotel Investments and Management Limited, Glorious Sun Enterprises Limited, China Everbright Limited and China Railway Group Limited, an Independent Director of China Everbright Bank Company Limited and China State Construction Eng. Corp. Ltd. and an Outside Director of China Mobile Communications Corporation and China COSCO Shipping Corporation Limited. Mr. Chung holds a bachelor of science degree from the University of Hong Kong and a master's degree in business administration from the Chinese University of Hong Kong. Mr. Chung also received an honorary doctoral degree in Social Science from the City University of Hong Kong in 2010. Mr. Chung is a fellow member of the Hong Kong Institute of Certified Public Accountants.

## Directors and Senior Management



**Law Fan Chiu Fun Fanny**

Independent Non-Executive Director

Aged 73, was appointed in November 2012 as an Independent Non-Executive Director of the Company. Mrs. Law is currently a Director of the Fan Family Trust Fund and the Honorary Principal of Ningbo Huizhen Academy. Besides, Mrs. Law is an Independent Non-Executive Director of Nameson Holdings Limited, China Taiping Insurance Holdings Company Limited and New World Development Company Limited (all listed on the Hong Kong Stock Exchange). Mrs. Law served as a Member of the Executive Council of the Government of the Hong Kong Special Administrative Region ("HKSAR"), a Deputy of HKSAR to the National People's Congress of the People's Republic of China, Chairman of the Board of Directors of Hong Kong Science and Technology Parks Corporation, an Independent Non-Executive Director of DTXS Silk Road Investment Holdings Company Limited, CLP Holdings Limited and Minmetals Land Limited, and an External Director of China Resources (Holdings) Co., Limited. Prior to her retirement from the civil service in 2007, Mrs. Law was the Commissioner of the Hong Kong Independent Commission Against Corruption. During her 30 years as an Administrative Officer, Mrs. Law has worked in many fields, including medical and health, economic services, housing, land and planning, home affairs, social welfare, civil service, transport and education. Mrs. Law graduated from the University of Hong Kong with an Honours degree in Science, and in 2009 was named an outstanding alumnus of the Science Faculty of the University of Hong Kong. She received a Master degree in Public Administration from Harvard University and was named a Littauer Fellow of Harvard University. She also holds a Master degree in Education from the Chinese University of Hong Kong and is a Fellow of The Hong Kong Institute of Directors.



### Fan Chun Wah Andrew

Independent Non-Executive Director

Aged 47, was appointed in April 2024 as an Independent Non-Executive Director of the Company. Mr. Fan is an independent non-executive director of Nameson Holdings Limited, China Aircraft Leasing Group Holdings Limited, Sing Tao News Corporation Limited, China Overseas Grand Oceans Group Limited and Chuang's Consortium International Limited (all listed on the Main Board of the Hong Kong Stock Exchange). Mr. Fan is also a member of the 14th National Committee of the Chinese People's Political Consultative Conference, a committee member of the 10th to 12th Chinese People's Political Consultative Conference of the Zhejiang Province, the 4th and 5th Chinese Political Consultative Conference of Shenzhen, the 10th to 12th Vice chairman of Zhejiang Province United Youth Association and a member of the 8th Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China. Mr. Fan served as an independent non-executive director of Culturecom Holdings Limited and Chuang's China Investments Limited (all are listed on the Main Board of the Hong Kong Stock Exchange). Mr. Fan is a practicing certified public accountant in Hong Kong with over 20 years of experience. He holds a Bachelor Degree of Business Administration (Accounting and Finance) from The University of Hong Kong and a Bachelor Degree in Laws from the University of London. Mr. Fan is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants.

# Corporate Governance Report

The Board believes that a healthy corporate culture is the core of good corporate governance. China Unicom persistently enhances the development of corporate culture. The Company adheres to the principles of upholding integrity and innovation and focusing on main responsibilities and main businesses, focusing on the core arenas of “connectivity”, “computing power”, “service”, and “security”. Aiming for the vision of becoming a world-class technology service enterprise with global competitiveness. The Company is transitioning from a “basic pipeline provider” to an “integrated digital service provider”, acting as the “national team and backbone of the information and communications industry”. China Unicom adheres to the corporate style of “Rigorous, Pragmatic, Skillful, Meticulous, Efficient”. Uniting synergies for development and fostering a positive and progressive corporate culture. The penetration and integration of China Unicom’s corporate culture philosophy into production and operation, integrating the corporate culture into the entire process of production, operation and management, which help enhancing and improving the operational effectiveness and management efficiency while ensuring the ideal corporate culture has been reflected in the company’s strategies, business models and operating practices.

The Board is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of the Company's business. The Board will persistently enhance the corporate governance of the Company by promoting corporate culture philosophy and core values at all levels of the Company. We hope all our executives, management and employees would implement the practice and integrate "integrity and self-discipline, uphold integrity and anti-corruption" into the ideological foundation to serve as the basic code of conduct for practitioners, while complying with laws and regulations, operates in compliance with regulations and be honest and self-disciplined, adhering to the ethical concept and code of conduct of honesty, trustworthiness and due diligence, and strive to maximize the interests of customers, shareholders, employees and society. The scope of the relevant basic code of conduct covers matters related to legislation, regulation and ethics, including but not limited to principles of honesty and trustworthiness, conflict of interest, handling of stakeholder relations, information disclosure and confidentiality, protection of company assets, reporting and punishment. As a company incorporated in Hong Kong, the Company adopts the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance of Hong Kong and other related laws and regulations as the basic guidelines for the Company's corporate governance. As a company listed in Hong Kong, the current articles of association are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These rules serve as guidance for the Company to improve the foundation of its corporate governance, and the Company strives to comply with the relevant requirements of international and local corporate governance best practices. The Company has regularly published statements relating to its risk management and internal control in accordance with relevant regulatory requirement to confirm its compliance with related risk management and corporate internal control requirements and other regulatory requirements. The Board is responsible for performing overall corporate governance duties. The Company has adopted a Corporate Governance Practice which sets out the key terms of reference of the Board on corporate governance functions, including, amongst others, developing and reviewing the Corporate Governance Policy and corporate governance practices of the Company; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and reviewing the Company's compliance with the Corporate Governance Code and the disclosure in "Corporate Governance Report".



# Corporate Governance Report

In 2025, the Company's continuous efforts in corporate governance gained wide recognition from the capital markets and the Company was accredited with a number of awards. The Company was voted as "Most Honored Telecom Company" for ten years in a row in "2025 All-Asia Executive Team" ranking organised by the authoritative financial magazine, Exel (formerly Institutional Investor). Meanwhile, the Company was also honored with "Best IR Program (Telecoms)". The Company was voted as "Best Overall Company in China — Gold" in "Asia's Best Managed Companies Poll 2025" organised by FinanceAsia, an authoritative financial magazine. The Company was awarded "Sustainable Asia Award" by Corporate Governance Asia. The Company was accredited with "Gold Award" in "The Asset Corporate Sustainability Leadership Awards 2025". The Company was awarded "ESG Leading Enterprise" in "ESG Leading Enterprise 2025" by Bloomberg Businessweek and Deloitte.

Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (the "Listing Rules") provides for code provisions (the "Code Provisions") and recommended best practices with respect to (i) corporate purpose, strategy and governance, (ii) board composition and nomination, (iii) directors' responsibilities, delegation and board proceedings, (iv) audit, internal control and risk management, (v) remuneration and (vi) shareholders engagement. Other than the disclosures made in the section headed "Board of Directors" below, the Company confirms that for the year ended 31 December 2025, it complied with all the Code Provisions.

## BOARD OF DIRECTORS

To serve the best interests of the Company and its shareholders, the Board is responsible for reviewing and approving major corporate matters, including, amongst others, business strategies and budgets, major investments, capital market operations, as well as mergers and acquisitions. The Board is also responsible for monitoring risk management and internal control, reviewing environmental, social and governance strategies, reviewing and approving the announcements periodically published by the Company regarding its business results and operating activities. There is no financial, business, family or other material/ relevant relationship(s) between the Board members.



In order to achieve a sustainable and balanced development, the Company views Board diversity as a key element for supporting its strategic goals and maintaining sustainable development. The Board membership maintains wide representation. Members of the Board consist of outstanding individuals from different professions. Currently, the Board comprises eight Directors, including four executive Directors and four independent non-executive Directors. Particulars of the Directors are set out on pages 28 to 39 of this annual report. The Company believes that the Board currently comprises experts from diversified professions such as telecommunications, technology, finance, investment and management, and is diversified in terms of gender, age, duration of service, educational background, professional experience, etc., which contributes to the enhanced management standard and more regulated operation of corporate governance of the Company, and results in a more comprehensive and balanced Board structure and decision-making process.

The below sets out the members of the Board:

#### Executive Directors

**Dong Xin** (was appointed on 14 January 2026)

**Jian Qin** (was appointed on 10 April 2024)

**Tang Yongbo** (was appointed on 27 June 2025)

**Li Yuzhuo** (was appointed on 28 February 2022)

#### Independent Non-executive Directors

**Cheung Wing Lam Linus** (was appointed on 12 May 2004)

**Chung Shui Ming Timpson** (was appointed on 15 October 2008)

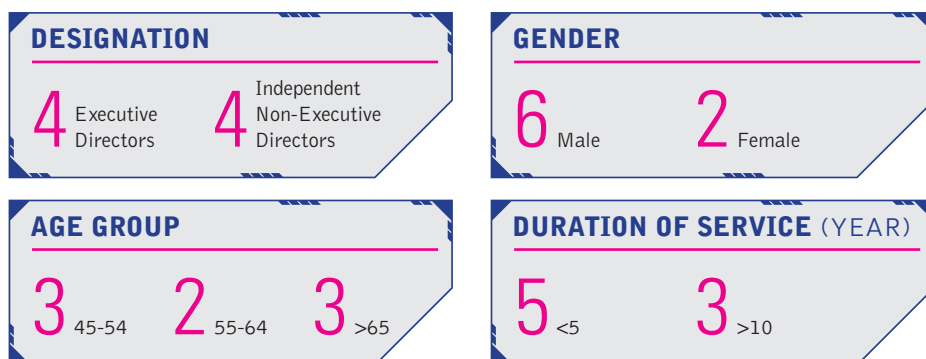
**Law Fan Chiu Fun Fanny** (was appointed on 21 November 2012)

**Fan Chun Wah Andrew** (was appointed on 10 April 2024)



# Corporate Governance Report

The below sets out the analysis of the current composition of the Board:



The Board Skills Matrix set out below outlines the skills and professional expertise of the Board that are most relevant to the Company. Such skills and professional expertise provide robust support for the Board to duly discharge its duties, enabling the Company to pursue and achieve its strategic objectives, and attain sustainable and balanced development. In particular, in terms of business advancement and long-term development, the Company adheres to the principles of upholding integrity and innovation and focusing on main responsibilities and main businesses, focusing on the core arenas of “connectivity”, “computing power”, “service”, and “security”. Aiming for the vision of becoming a world-class technology service enterprise with global competitiveness. The Company is transitioning from a “basic pipeline provider” to an “integrated digital service provider”, acting as the “national team and backbone of the information and communications industry”. In addition, these capabilities support the Company in maintaining a high standard of corporate governance, ensuring that the Company establishes and maintains a sound and effective risk management and internal control system, enhancing its operational management capabilities and risk prevention capacity, and safeguarding the sustained and healthy development of the Company.

## The skills and professional expertise of the Directors

	Board of Directors/ Leadership	Experience on Board	Telecommunications Industry/ Relevant Industries Experience	Accounting Profession/ Financial Management Professional Expertise	Regulatory and Compliance/ Risk Management	Public Administration	Technology
<b>Executive Directors</b>							
Dong Xin ( <i>Chairman</i> )	✓	✓	✓	✓	✓		✓
Jian Qin	✓		✓		✓		✓
Tang Yongbo	✓		✓		✓		✓
Li Yuzhuo	✓		✓	✓	✓		✓
<b>Independent Non-executive Directors</b>							
Cheung Wing Lam Linus	✓		✓		✓		
Chung Shui Ming Timpson	✓		✓	✓	✓	✓	
Law Fan Chiu Fun Fanny	✓		✓		✓	✓	✓
Fan Chun Wah Andrew	✓		✓	✓	✓	✓	

Note: Directors may possess multiple professional backgrounds, skills and experience.

The roles and responsibilities of the Chairman and the Chief Executive Officer of the Company were performed by the same individual for the year ended 31 December 2025. The Company considers that, as all major decisions are made by the Board and relevant Board Committees after discussion, through supervision by the Board and the independent non-executive Directors together with effective internal control mechanism, the Company has achieved a balance of power and authority. In addition, the same individual performing the roles of the Chairman and the Chief Executive Officer can enhance the Company's efficiency in decision-making and execution, effectively capturing business opportunities. In addition, Mr. Chen Zhongyue, the then Chairman of the Company, was unable to attend the annual general meeting of the Company convened on 29 May 2025 due to other important work arrangement. The Company attaches high regards on the annual general meeting which provides an opportunity for direct communication between the Board and the shareholders of the Company. Therefore, Mr. Chen Zhongyue, the then Chairman of the Company had appointed another executive Director to chair the said annual general meeting and answer the questions raised by the shareholders.

# Corporate Governance Report

For the year ended 31 December 2025, the Company had 4 independent non-executive Directors representing over one-third of the Board with 2 independent non-executive Directors possessing appropriate professional accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. All independent non-executive Directors of the Company possess good knowledge and experience in different areas. The Company has established various channels for independent non-executive Directors to express their views in an open and honest manner and, if necessary, in a confidential manner. The independent non-executive Directors have been making positive contributions to the development of the Company's strategies and policies through independent, constructive and informed advice. Apart from the regular Board meeting, the Chairman meets annually with independent non-executive Directors, without the presence of other Directors, which further promotes the exchange of diversified views and opinions. Independent non-executive Directors have maintained close contact with the management and actively express constructive opinions on matters relating to corporate governance, operation management, risk prevention and the capital market at board meetings. These views and opinions facilitate the Board in making their decisions in the shareholders' best interests. All independent non-executive Directors, except for their equity interests and remuneration disclosed in this annual report, do not have any business with or financial interests in the Company, its holding company or subsidiaries, and have confirmed their independence to the Company upon appointment and annually. The Company considers that all independent non-executive Directors are currently independent. Such mechanisms enable independent views and inputs are available to the Board in an effective way, and the Board will review the implementation and effectiveness of such mechanisms on an annual basis. The functions of non-executive Directors include, amongst other things, attending board meetings, exercising independent judgements at meetings, playing a leading role in resolving any potential conflicts of interest, serving on committees by invitation and carefully examining whether the performance of the Company has reached the planned corporate targets and objectives, and monitoring and reporting on matters relating to the performance of the Company. With respect to the nomination and appointment of new directors and senior management members and the succession planning for Directors, the Nomination Committee would, after considering the Company's need for new directors and/or senior management members, identify a wide range of candidates from within the Company and the human resources market and make recommendations to the Board. The Nomination Committee will consider candidates on merit against objective criteria and with due regard to the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and duration of service. After having obtained the consent from candidates in relation to the relevant nomination and based on the Company's actual needs, the Board would convene a meeting, attendees of which include non-executive Directors, to consider the qualifications of the candidates. The Directors of the Company (including non-executive Directors) are not appointed for a specific term. However, every director should be subject to retirement by rotation at least once every three years. And pursuant to the Company's articles of association, one-third of the directors shall retire from office by rotation and shall be eligible for re-election at each annual general meeting.

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On 14 January 2026, Mr. Dong Xin was appointed as the executive Director, Chairman and Chief Executive Officer of the Company. On 27 June 2025, Mr. Tang Yongbo was appointed as an executive Director of the Company. Mr. Dong Xin and Mr. Tang Yongbo had obtained legal advice in relation to the requirements, duties and obligations under the Listing Rules that are applicable to them as a director of a listed company on 12 January 2026 and 6 June 2025 respectively from an external legal adviser qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules. Mr. Dong Xin and Mr. Tang Yongbo had confirmed that they understood their obligations as a director of a listed company. Every newly appointed Director is provided with a comprehensive, formal and tailored induction on appointment, including but not limited to the "Guidelines on Directors' Duties" published by the Hong Kong Companies Registry and the "Guidelines for Directors" published by the Hong Kong Institute of Directors. Directors have fiduciary responsibilities to the Company. They must not exercise their powers for improper purposes. They must not use the Company's opportunities to serve their own interests. Their personal interests are not allowed to conflict with the Company's interests, and they must not abuse the Company's assets. The Director would subsequently receive all briefing and professional development necessary to ensure that he/she has proper understanding of the Company's operations and businesses, full understanding of his/her responsibilities under the statutes, the common law, the Listing Rules, applicable legal and regulatory requirements, and the Company's business and corporate governance policies. Furthermore, formal letters of appointment setting out the key terms and conditions of the Directors' appointment will be duly prepared.

Directors' training is an ongoing process. The Company arranges and provides continuous professional development training for Directors through means such as site visits, seminars, webinars, and reading materials, covering areas including duties of the Board/ Directors, legal and regulatory developments, corporate governance and environmental, social and governance matters, financial reporting/ risk management and internal control/ tax updates, the latest developments in the industry and business, etc. The Company confirms that all directors have participated in continuous professional development as required by Rules 3.09F, 3.09G and 3.09H (as applicable) of the Listing Rules during the year. In 2025, the Company has provided more than 40 hours of continuous professional development training to the Directors.

Directors shall provide the Company with information on the continuous professional development training they have participated in from time to time. Training records are kept by the company secretary and are available for periodic review by the Audit Committee.

# Corporate Governance Report

In 2025, the Company provided continuous professional development training for the Directors covering the following areas and topics:

Scope	Topic	Training Method
Duties of Directors/ Board of Directors	— Creating Value with Board Diversity (provided by the Hong Kong Stock Exchange)	Webinar
Legal and Regulations	<ul style="list-style-type: none"> <li>— HKEX Enhances Corporate Governance Requirements (Provided by Freshfields)</li> <li>— Legal and Regulatory Update (provided by Freshfields)</li> <li>— Continuing Obligations of Listed Companies Update 2025 (provided by the Hong Kong Stock Exchange)</li> </ul>	Reading Materials, Seminars, Webinars
Corporate Governance and Environmental, Social and Governance	<ul style="list-style-type: none"> <li>— Developing Climate Strategies Amid Uncertainty: Scenario Planning and Analysis (provided by Hong Kong Stock Exchange)</li> <li>— Toolkit on Directors' Ethics (provided by the Hong Kong Business Ethics Development Center and the Independent Commission Against Corruption)</li> <li>— Anti-Corruption Programme — A guide for Listed Companies (provided by the Hong Kong Business Ethics Development Center and the Independent Commission Against Corruption)</li> </ul>	Reading Materials, Webinars
Financial Reporting/ Risk Management and Internal Control/ Tax Update	— Pillar Two Proposals and Impact on the Company (provided by Deloitte Touche Tohmatsu Tax Experts)	Seminar
Latest Developments in Industry and Business/ Business Development of the Company	<ul style="list-style-type: none"> <li>— International Capital Market Analysis Report (provided by the Company)</li> <li>— 2025 China Unicom Partner Conference (Provided by the Company)</li> <li>— 2025 World Artificial Intelligence Conference (provided by the Company)</li> <li>— Director Site Visit (provided by the Company)</li> </ul>	Reading Materials, Seminars, Webinars

Based on the information provided by the Directors, a summary of the continuous professional development training they participated in during 2025 is as follows:

Duties of Directors/ Board of Directors	Legal and Regulations	Corporate Governance and Environmental, Social and Governance Matters	Financial Reporting/ Risk Management and Internal Control/ Tax Update	Latest Developments in Industry and Business/ Development of the Company	In 2025 Completion Continuous Professional Training Approximate hours <sup>4</sup>
<b>Executive Directors</b>					
Chen Zhongyue <sup>1</sup>	✓	✓	✓	✓	>50 hours
Jian Qin	✓	✓	✓	✓	>50 hours
Tang Yongbo <sup>2</sup>	✓	✓	✓	✓	>50 hours
Wang Junzhi <sup>3</sup>	✓	✓	✓	✓	>30 hours
Li Yuzhuo	✓	✓	✓	✓	>50 hours
<b>Independent Non-executive Directors</b>					
Cheung Wing Lam Linus	✓	✓	✓	✓	>50 hours
Chung Shui Ming Timpson	✓	✓	✓	✓	>50 hours
Law Fan Chiu Fun Fanny	✓	✓	✓	✓	>50 hours
Fan Chun Wah Andrew	✓	✓	✓	✓	>50 hours

Note 1: On 29 October 2025, Mr. Chen Zhongyue resigned as an executive Director and a member of Nomination Committee of the Company.

Note 2: On 27 June 2025, Mr. Tang Yongbo was appointed as an executive Director of the Company.

Note 3: On 22 May 2025, Mr. Wang Junzhi resigned as an executive Director of the Company.

Note 4: The total hours include training provided by the Company and other continuous professional development training undertaken by the Directors.

The Company has determined remuneration policy. The proposed remuneration package of Directors of the Company will be determined by the Remuneration Committee, subject to approval by the Board and in compliance with applicable laws, regulations and policies, and taking into account the responsibilities of such person in the Company, his experience and performance as well as the prevailing market conditions. The remuneration package for executive Directors includes salary and performance-linked annual bonuses. The remuneration of executive Directors is determined by reference to their respective duties and responsibilities in the Company, their respective experience, prevailing market conditions and applicable regulatory requirements while the award of the performance-linked annual bonuses is tied to the attainment of key performance indicators or targets set by the Company. The remuneration of non-executive Directors is determined by reference to prevailing market conditions and their respective

## Corporate Governance Report

responsibilities and workload from serving as non-executive Directors and members of the board committees of the Company. The remuneration for each Director and the remuneration of senior management by band are disclosed on pages 155 to 158 of this annual report. In addition to the remuneration, the Company has arranged appropriate insurance coverage in respect of legal action against the Directors.

The Board has provided clear guidelines for delegation of powers and responsibilities to management. However, certain important matters must be decided only by the Board, including, but not limited to, long-term objectives and strategies, annual budget, initial announcements on quarterly, interim and final results, dividends, major investments, equity-related capital market operations, mergers and acquisitions, major connected transactions and annual internal control evaluation. The arrangements on delegation of powers and responsibilities to management are reviewed by the Board periodically to ensure that they remain appropriate to the needs of the Company.

The Board convenes meetings regularly and all Directors have adequate opportunity to be present at the meetings and to include matters for discussion in the meeting agenda. Notices of regular board meetings are delivered to the Directors at least 14 days in advance of the meetings. The Company delivers, on a best endeavor basis, all documents for regular board meetings to the Directors for review at least one week prior to the meetings (and ensures that all documents are delivered to the Directors no less than three days prior to the regular meetings as required by the Code Provisions).

The Company Secretary, being an employee of the Company, has day-to-day knowledge of the Company's affairs and reports to the Chairman of the Board. The Company Secretary keeps close contact with all Directors and ensures that the operation of the Board and all board committees is in compliance with the procedures as set forth in the Company's articles of association and the charters of the board committees. Additionally, the Company Secretary is responsible for compiling and regularly submitting draft minutes of board meetings and committee meetings to the Directors and committee members for their review and comments, and final versions of minutes for their records, within a reasonable time after the relevant meetings. Each Director may obtain advice from and the services of the Company Secretary to ensure that board procedures, and all applicable rules and regulations, are followed.

Board meetings will be held for the selection, appointment or dismissal of the Company Secretary. To ensure the possession of up-to-date knowledge and market information to perform her duties, the Company Secretary attended over 15 hours of professional training in 2025.

The Directors may, upon request, obtain independent professional advice at the expense of the Company. In addition, if any substantial shareholder of the Company or any Directors has significant conflicts of interest in a matter to be resolved, the Board will convene a board meeting in respect of such matter and those Directors who have conflicts of interest must abstain from voting and will not be counted in the quorum of the meeting.



All Directors are required to devote sufficient time and attention to the affairs of the Company. A culture of openness and debate are promoted in the Board and the Directors are encouraged to express their views and concerns. The Company provides monthly operating update to the Directors, so as to ensure the Directors are familiar with the Company's latest operations. In addition, through regular board meetings and reports from management, the Directors are able to clearly understand the operations, business strategy and latest development of the Company and the industry. Besides formal board meetings, the Chairman also meets annually with independent non-executive Directors, without the presence of other Directors, which further promotes the exchange of diversified views and opinions. In order to ensure that all Directors have appropriate knowledge of the matters discussed at the meetings, adequate, accurate, clear, complete and reliable information regarding those matters is provided in advance and in a timely manner, and all Directors have the right to inspect documents and information in relation to matters to be decided by the Board. The Directors have frequently visited various branches in Chinese Mainland to gain better understanding of the Company's daily operations.

The Board of Directors conducts an annual evaluation of its performance, and such arrangements also contribute to the enhancement of the Company's corporate governance standards. The Company has conducted an internal performance evaluation of the Board for 2025. The Nomination Committee provides support for and uses this as a reference for the annual evaluation. The assessment involved the completion of anonymous questionnaires by each Director to encourage Directors to reflect their views, provide suggestions, and express any concerns without restriction. The scope of the evaluation covers Board composition and diversity, interaction among Board members, processes and effectiveness of the Board, the quality and timeliness of information provided to the Board, and Directors' development and training. The response rate for the 2025 Board evaluation questionnaire was 100%. The overall response rate is satisfactory, and there are no material matters that require reporting. Based on the collective opinions of the Directors, the Company submitted the same to the Nomination Committee and the Board of Directors in summary form without disclosing the specific evaluations or ratings made by individual Directors, in order to maintain confidentiality. Based on the performance evaluation in 2025, the Board of

# Corporate Governance Report

Directors considers the current practices to be effective. The structure, size, composition, and diversity of the Board of Directors of the Company are reasonable and effective; the Board of Directors effectively obtains independent perspectives and opinions; and the Directors have performed their duties with diligence and dedicated sufficient time and attention to handle the affairs of the Company, effectively ensuring the sound operation of the Board of Directors and the excellent governance level of the Company.

In 2025, the Board held five board meetings and passed one written resolution for, amongst other things, discussion and approval of important matters such as the 2024 annual results, the 2025 annual budget, the 2025 interim results, the first and the first three quarters results for 2025, sustainability report, reports on risk management and internal control, renewal of continuing connected transactions, amendment of nomination committee charter, appointment of executive Director and appointment of senior vice presidents.

Set forth below is an overview of the attendance during the year of 2025 by the Board members at various meetings:

	Meetings Attended/Held During Each Director's Tenure				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Shareholders Meeting
<b>Executive Directors</b>					
Chen Zhongyue <sup>1</sup>	5/5	N/A	N/A	1/1	0/1
Jian Qin	3/5	N/A	N/A	N/A	1/1
Tang Yongbo <sup>2</sup>	3/3	N/A	N/A	N/A	N/A
Wang Junzhi <sup>3</sup>	2/2	N/A	N/A	N/A	N/A
Li Yuzhuo	5/5	N/A	N/A	N/A	1/1
<b>Independent Non-Executive Directors</b>					
Cheung Wing Lam Linus	5/5	5/5	1/1	N/A	1/1
Chung Shui Ming Timpson	4/5	4/5	1/1	1/1	1/1
Law Fan Chiu Fun Fanny	4/5	4/5	N/A	0/1	1/1
Fan Chun Wah Andrew	5/5	5/5	1/1	N/A	1/1

Note 1: On 29 October 2025, Mr. Chen Zhongyue resigned as an Executive Director of the Company and ceased to be the Chairman and Chief Executive Officer, as well as a member of the Nomination Committee of the Company.

Note 2: On 27 June 2025, Mr. Tang Yongbo was appointed as an executive director of the Company.

Note 3: On 22 May 2025, Mr. Wang Junzhi resigned as an executive Director of the Company.

Note 4: Certain Directors (including independent non-executive Directors) did not attend the shareholders meeting and meetings of the Board and Committees due to other business commitments.

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In 2025, the Board performed their fiduciary duties and devoted sufficient time and attention to the affairs of the Company. The Board works effectively and performs its responsibilities efficiently with all key and appropriate issues being discussed and approved in a timely manner.

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 to the Listing Rules (the “Model Code”) to govern securities transactions by directors. Further to the specific enquiries made by the Company to the Directors, all Directors have confirmed their compliance with the Model Code for the year ended 31 December 2025.

The Directors acknowledge their responsibilities for preparing the financial statements for the year ended 31 December 2025, which give a true and fair view of the financial position of the Company as at the statement of financial position date and financial performance and cash flows of the Company for the year ended the statement of financial position date, are properly prepared on the going concern basis in accordance with relevant statutory requirements and applicable financial reporting standards. A statement of the independent auditors about their reporting responsibilities related to the financial statements is set out in the independent auditor’s report on pages 96 to 100 of this annual report.

## COMMITTEES UNDER THE BOARD

The Company has established three committees of the Board under the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee. Each committee has a written charter, which is available on the websites of the Company and the Hong Kong Stock Exchange. From time to time as required by the Listing Rules, the Board also establishes independent board committee for the purpose of advising and providing voting recommendations to independent shareholders on connected transactions and transactions subject to independent shareholders’ approval entered into by the Company and/or its subsidiaries. The committees are provided with sufficient resources, including, amongst others, obtaining independent professional advice at the expense of the Company, to perform their duties. The committees report their decisions or recommendations to the Board after meetings.

### Audit Committee Composition

Currently the Audit Committee comprised Mr. Chung Shui Ming Timpson, Mr. Cheung Wing Lam Linus, Mrs. Law Fan Chiu Fun Fanny and Mr. Fan Chun Wah Andrew all being independent non-executive Directors of the Company. The Chairman of the Audit Committee is Mr. Chung Shui Ming Timpson. All members of the Audit Committee have satisfied the “independence” requirements in relation to an Audit Committee member under applicable laws, regulations and rules. The Chairman of the Audit Committee is an accountant with expertise and experience in accounting and financial management. Another member of the Audit Committee is also an accountant with extensive accounting professional experience.

### Major Responsibilities

The primary responsibilities of the Audit Committee include: as the key representative body, overseeing the Company’s relationship with the independent auditor, considering and approving the appointment, resignation and removal of the independent auditor; pre-approval of services and fees to be provided by the independent auditor based on the established pre-approval framework; supervising the independent auditor and determining the potential impact of non-audit services on such auditor’s independence;

# Corporate Governance Report

reviewing quarterly and interim financial information as well as annual financial statements; coordinating and discussing with the independent auditor with respect to any issues identified and recommendations made during the audits; reviewing correspondences from the independent auditor to the management and responses of the management; discussing the risk management and internal control system with the management as well as reviewing the reports on the risk management and internal control procedures of the Company. The Audit Committee set up a whistle-blowing system to receive and handle cases of complaints regarding the Company's financial reporting, internal control or other matters. The whistle-blowers can use, in confidence and anonymity, to raise concerns about possible improprieties in any matter related to the Company through whistle-blowing channels. Any complaints on the aforementioned subject matters can be submitted by post (No. 21 Financial Street, Xicheng District, Beijing, 100033, China) or by phone (86-(010) 88091674). The Audit Committee is responsible to and regularly reports its work to the Board.

## **Work Completed in 2025**

The Audit Committee meets the Board and management as well as independent auditor at least four times each year, and assists the Board in its review of the financial statements to ensure effective risk management and internal control as well as efficient audit. Besides, the Audit Committee meets the independent auditor at least two times each year, without the presence of other Directors and management.

The Audit Committee held five meetings in 2025 for, amongst other things, discussion and approval of the 2024 annual results, the 2025 interim results, and the first and the first three quarters results for 2025. In addition, the Audit Committee approved in the meetings the sustainability report, the report of the work of sustainability, the report on risk management, the report on internal audit and internal control, the report on continuing connected transaction, the renewal of continuing connected transactions, the appointment, the audit fees and the audit plans of the independent auditor as well as the non-audit services provided by the independent auditor in 2025. The Audit Committee has performed its duties effectively, and enabled the Board to better monitor the financial condition of the Company, supervise the risk management and internal control (including but not limited to operational, financial, compliance, environmental, social and governance) of the Company, ensure the integrity and reliability of the financial statements of the Company, prevent significant errors in the financial statements and ensure the Company's compliance with the relevant requirements of the Listing Rules with respect to Audit Committee.

### Remuneration Committee Composition

Currently the Remuneration Committee comprised Mr. Cheung Wing Lam Linus, Mr. Chung Shui Ming Timpson and Mr. Fan Chun Wah Andrew, all being independent non-executive Directors of the Company. The Chairman of the Remuneration Committee is Mr. Cheung Wing Lam Linus.

### Major Responsibilities

The primary responsibilities of the Remuneration Committee include: making recommendations to the Board on the policies and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives set by the Board; making recommendations to the Board on the remuneration packages of individual executive Directors and senior management (including benefits in kind, pension right and compensation payments, including any compensation payable for loss or termination of their office or appointment); making recommendations to the Board on the remuneration of non-executive Directors; consulting the Chairman about the remuneration proposals for other executive Directors; considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; considering any concrete plan proposed by the management of the Company for the grant of option or share which has not been granted, and any plan to amend any existing share scheme of the Company; reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms; reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms; and ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.



# Corporate Governance Report

## **Work Completed in 2025**

The Remuneration Committee meets at least once a year. The Remuneration Committee held one meeting in 2025 for, amongst other things, discussion and approval of the proposal for appraisal and remuneration of senior management.

The Remuneration Committee has performed its duties effectively on reviewing and approving the proposal of appraisal of senior management, as well as making recommendations to the Board with regards to the remuneration packages for senior management.

## **Nomination Committee Composition**

Currently the Nomination Committee comprised Mr. Chung Shui Ming Timpson, Mr. Dong Xin and Mrs. Law Fan Chiu Fun Fanny. Except for Mr. Dong Xin, who is the executive Director, Chairman and CEO of the Company, Mr. Chung Shui Ming Timpson and Mrs. Law Fan Chiu Fun Fanny are independent non-executive Directors of the Company. The Chairman of the Nomination Committee is Mr. Chung Shui Ming Timpson.

## **Major Responsibilities**

The primary responsibilities of the Nomination Committee include: reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assisting the board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the corporate strategy of the Company; identifying individuals suitably qualified to become Board members and making recommendations to the Board; formulating, reviewing and implementing the board diversity policy; assessing the independence of independent non-executive Directors; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; providing advice to the Board on candidates of the senior management nominated by the CEO and on changes to the senior management of the Company; supporting the Company's regular evaluation of the board's performance.

## **Work Completed in 2025**

The Nomination Committee meets at least once a year. The Nomination Committee held one meeting and passed one written resolution in 2025 for, amongst other things, reviewing the structure, size and composition of the Board, reviewing the board diversity policy and its implementation, assessment of the independence of independent non-executive Directors, the amendment of nomination committee charter, making recommendations to the Board on the proposed re-election of Directors and the appointment of executive Director and senior vice presidents.

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After reviewing each Director's other directorships, positions with listed companies and organisations, and other significant commitments, the Nomination Committee confirms that the Directors have devoted sufficient time and made significant contributions to the Board during the year. The Nomination Committee considered the following aspects:

**Time commitment**

The Directors of the Company (especially the independent non-executive Directors) have demonstrated a firm commitment to Board affairs during the year, participating actively and devoting sufficient time to handle the affairs of the Company. All directors confirmed that they have devoted sufficient time and effort to the affairs of the Company during their term of office for the year ended 31 December 2025.

**Other offices and commitments**

The Directors disclose to the Company the number and nature of offices held in listed companies and organisation, as well as other significant commitments, together with an indication of the time involved.

**Other directorships**

As at 31 December 2025, none of our Directors, individually, held directorships in more than six listed companies (including the Company).

The Company has determined nomination policy. With respect to the nomination and appointment of new directors and senior management members and the succession planning for directors, the Nomination Committee would, after considering the Company's need for new directors and/or senior management members, identify a wide range of candidates from within the Company and the human resources market and make recommendations to the Board. The Nomination Committee will consider candidates on merit against objective criteria and with due regard to the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and duration of service. After having obtained the consent from candidates in relation to the relevant nomination and based on the Company's actual needs, the Board would convene a meeting, attendees of which include non-executive Directors, to consider the qualifications of the candidates. Every director should be subject to retirement by rotation at least once every three years. And pursuant to the Company's articles of association, one-third of the Directors shall retire from office by rotation and be eligible for re-election at each annual general meeting.

# Corporate Governance Report

The Company has also determined a policy concerning diversity of board members. The Company recognises and embraces the benefits of having a diverse Board, and notes increasing diversity at Board level as an essential element in maintaining a competitive advantage. All Board appointments are made on merit on a selective basis, in the context of the skills and experience the Board as a whole requires to be effective. In reviewing Board composition, the Nomination Committee will consider their professional knowledge, skills, experience and the balance of diversity of perspectives which are appropriate to the Company's business model and specific needs. In identifying suitable candidates for appointment to the Board, the Nomination Committee will give due regard to the benefits of diversity on the Board and base on a range of diversity perspectives including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and duration of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board and the Nomination Committee review the board diversity policy as well as its implementation and effectiveness every year to ensure that the board diversity policy continues to serve its purpose. Currently the Board comprises eight members, amongst which two members, accounting for 25% of the whole Board, are female directors. The Board considers that gender diversity is achieved in respect of the Board, and targets to maintain at least the current level of female representation. In addition, The Company determined the employee diversity policy to respect individual differences, maintain the dignity of employees, and create a diverse, inclusive, and mutually respectful working environment. The Company strictly implements laws and regulations such as the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China and related laws and regulations. It adheres to the principles of fairness, openness, and impartiality, and considers various aspects of diversity including but not limited to gender, age, ethnicity, and educational background as well as professional experience. Strict inspection and control procedures are adopted during the recruitment and promotion processes, and discriminatory policies regarding ethnicity, gender, age, etc., are prohibited to ensure that



the recruitment and appointment of all personnel are conducted in accordance with standardised procedures, so as to attract more talents with diverse backgrounds and foster a diverse, inclusive and respectful working environment. The Company continuously improves the construction of its talent pool and capacity building, and establishes a tiered and categorised training system while providing diversified development opportunities, so as to precisely satisfy the professional needs and career development visions of personnel in different positions. The Company cares for the physical and mental health of its employees, with a focus on providing care and concern for female employees and special groups, enriching the extracurricular cultural life of staff, and creating a loving and warm corporate family. The gender proportion (Male/Female) of all employees of the Company is 1.62:1. The female representation in senior management has continuously increased, from 11.9% in 2019 to 12.7% in 2025. The Company targets to maintain at least the current level of female representation in the workforce (including senior management). The Company is not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

In addition, pursuant to the Company's articles of association, shareholder may propose other person for election as a director at general meeting. The proposal will be considered and approved in the general meeting. With regard to the procedure for shareholder to propose a person for election as a director, please visit the Company's website at [www.chinaunicom.com.hk/en/esg/cg\\_report.php](http://www.chinaunicom.com.hk/en/esg/cg_report.php).



# Corporate Governance Report

## INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu is the independent auditor of the Company. Apart from audit services, it also provides other assurance and non-audit services. The Audit Committees supervised the independent auditor and determined the potential impact of non-audit services on such auditor's independence, and pre-approved the services and fees to be provided by the independent auditor based on the established pre-approval framework. The remuneration paid/payable to the independent auditor for provision of services in 2025 is as follows:

Items	Note	2025 (in RMB thousands)
Audit services for financial statements	(i)	46,810
Other special purpose audit and assurance services	(ii)	2,116
Non-audit services	(iii)	840

Notes:

- (i) Audit services for financial statements in 2025 mainly included the provision of audit service for the Company's consolidated financial statements, and statutory audit services for the financial statements of its subsidiaries.
- (ii) Other special purpose audit and assurance services are the audit and assurance services other than the audit services for financial statements.
- (iii) Non-audit services included other services that can be reasonably provided by the independent auditor. In 2025, the provisions of non-audit services mainly included tax compliance services and other advisory services.

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## **RISK MANAGEMENT AND INTERNAL CONTROL**

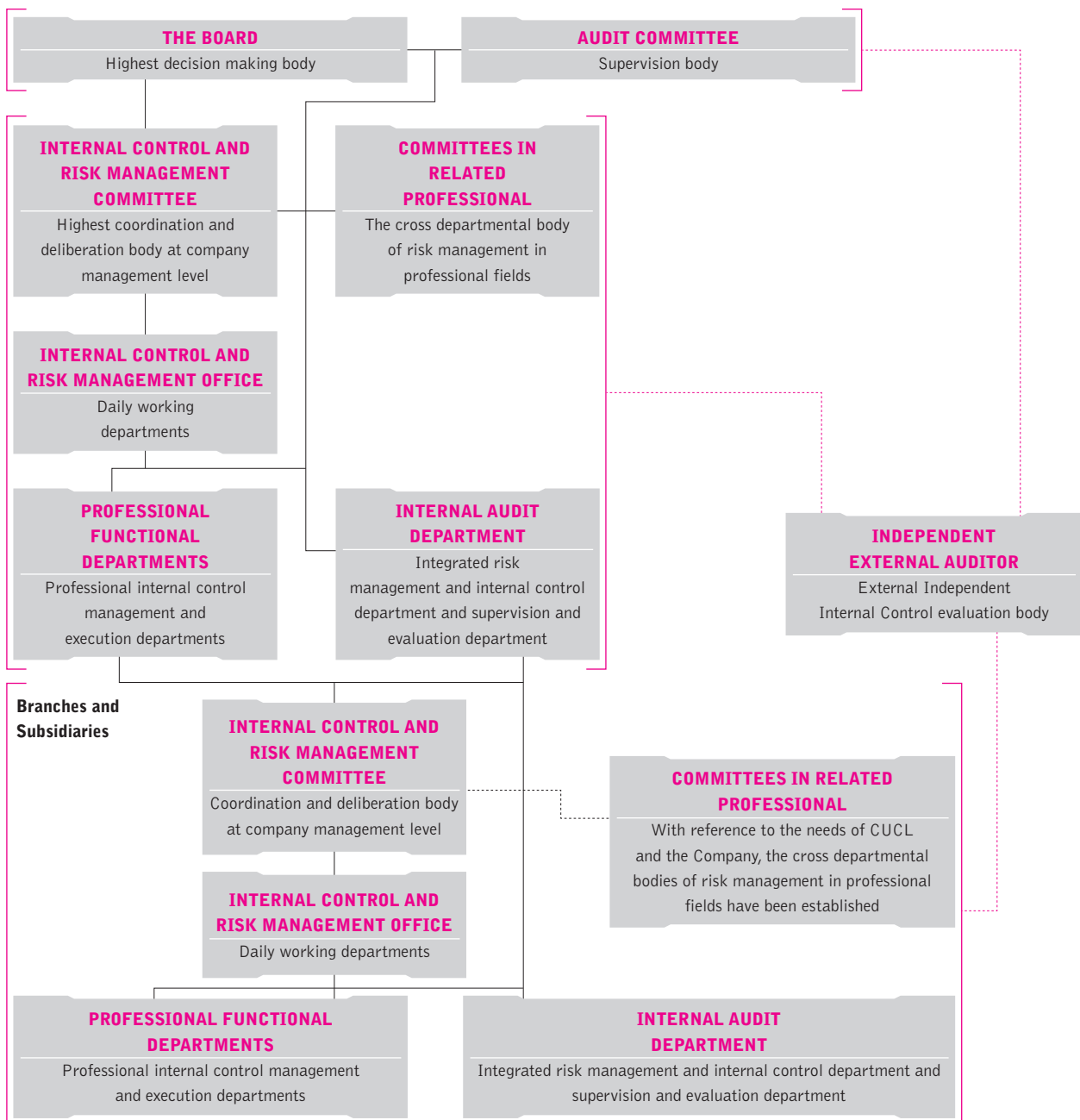
The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems (included but not limited to operational, financial, compliance, environmental, social and governance) to address identified risks, protect Company assets, prevent and detect fraud, misconduct and losses, ensure the accuracy of the Company's financial reporting, comply with applicable laws and regulations, promotes the sustainable and healthy development of the Company, and enhances the Company's operation management level and risk prevention ability. The Board should continuously oversee management in the design, implementation and monitoring of the risk management and internal control systems, and ensures that the Company and its subsidiaries review the effectiveness of such systems at least annually, and management should provide a confirmation to the Board on the effectiveness of these systems. The Board acknowledges that it is its responsibility for the risk management and internal control systems and reviewing their effectiveness.

Risk management and internal control systems have been designed to monitor and facilitate the accomplishment of the Company's business objectives, safeguard the Company's assets against loss and misappropriation, ensure maintenance of proper accounting records for the provision of reliable financial information, ensure the Company's compliance with applicable laws, rules and regulations. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

# Corporate Governance Report

## Organisation systems

The Company sets up a group-wide risk management and internal control systems consisting of the Board, the Internal Control and Risk Management Committee, the Integrated Management Department and each relevant professional functional departments.



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The Company has an internal audit department with 622 staff members, with officers stationed at various provincial branches. The internal audit department reports directly to the Audit Committee at least twice annually and is independent of the Company's daily operation and accounting functions. The internal audit department is responsible for overall risk evaluation, special risk evaluation and internal control self-testing etc. It has also formulated targeted risk prevention and control measures, conducted risk follow-up inspections and has enhanced the risk awareness of the employees, all of which have played an active role in the Company's effective support and safeguard of its operation management and business development. Furthermore, with an emphasis on the effectiveness of internal control with respect to the efficiency of operations, accuracy of financial information, and compliance with rules and regulations, the internal audit department conducts, amongst others, internal control assessment and internal audit on economic accountability. In addition, the internal audit department also contributes to strengthening the operation and management, improving internal control systems, mitigating operational risks and increasing the economic efficiency of the Company.

Using the risk evaluation as fundamental with the adoption of Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (the "COSO"), the Company established and improved internal control systems based on the following five fundamental components:

1. Control Environment: Establishes the control environment which fulfill COSO requirements to provide the appropriate operating environment for the effective implementation of internal control
2. Risk Evaluation: Establishes the Policy on Risk Evaluation Management and evaluation mechanism, evaluates the risks to the achievement of its objectives across the Company and identifies to the new risk due to the changes
3. Control Activities: Deploys appropriate policies and control procedures over the Company's business activities, identifies key control procedures and policies of significant control activities through evaluation
4. Information and Communication: Identifies relevant information and communication methods, establishes information and communication mechanisms to aggregate and delivers relevant information
5. Monitoring Activities: Establishes the internal control monitoring mechanism, implements the monitoring procedures and adopted the before, during and extensive monitoring principles, and carries on the proper monitoring to the internal control

# Corporate Governance Report

## **Risk evaluation and management**

The Company has established and gradually improved its comprehensive closed-loop risk management system, achieved the comprehensive management by across all stages from risk evaluation, early warning, control, tracking and supervision, so as to ensure the effectiveness of operation management. The Company evaluated the adequacy and appropriateness on risk and control measures according to the new business model, management requirement, change of system, adjustment of duties and findings from internal and external inspections.

## **2025 Risk evaluation result**

The Company defines risk as the possibility of internal or external events having a negative impact on the achievement of strategic and operational objectives. After comprehensive consideration of various areas of the Company, including but not limited to operations, finance, compliance, environmental, social and governance aspects, the following factors may cause the Company's financial position or results of operations to differ materially from expectations or past performance, but do not represent all risks faced by the Company. In addition, other risks or uncertainties that currently appear to have a lower impact may also have a material impact on the Company's results. The followings were the major significant risks which the Company encountered and its countermeasures in 2025:

## **Cybersecurity risk**

As a fundamental telecommunications enterprise, the Company possesses a modern communication network spans the nation and connects to the world, along with a global customer service system. The services benefit thousands of households and various industries. The Company attaches great importance to cybersecurity, strictly complies with the requirements of national laws and regulations, and remains committed to serving national security, building Cyber Superpower and Digital China. We take the maintenance of cybersecurity as an important mission, and are committed to serving as the leading contributor and key force of information and communications industry.

## **Risk of the quality of government and enterprise ICT business and arrears management**

With the vigorous development of the digital economy, the profound changes resulting from the deep integration of the digital economy and the real economy provided vast opportunities for the innovative transformation, enhancement of core competitiveness, and sustainable development of the Company. The Company attaches great importance to the research and development of innovative products, persistently strengthens its independent service capabilities and the integration of self-developed products, while accelerating the development of computing power services, and reinforcing resource deployment, technical breakthroughs, cloud-network integration, and regional traction. The Company is fully pushing forward the credit rating management of key business clients and optimising the structure of government and enterprise clients.

### **Risk of the transformation of scientific research achievements**

The Company has deeply implemented the development strategies of innovation-driven growth and strengthening the enterprise through science and technology, continuously increased research and development investment, and optimised its research and development deployment, driving the development of new quality productivity through core technologies such as 5G, artificial intelligence, and cloud computing. The Company attaches great importance to the transformation of scientific and technological achievements, accelerates the value transformation and large-scale application of self-developed scientific and technological achievements, and enhances the effectiveness of technology-enabled high-quality development. Striving to be a pioneer in promoting high-level scientific and technological self-reliance and self-strengthening, building national strategic scientific and technological forces, and developing new quality productivity.

### **Risk of compliance of foreign export control**

In recent years, the competition between China and the United States in the high-tech sector has intensified. The United States has frequently introduced regulatory policies and targeted investigation. The export restrictions on chips, semiconductor manufacturing equipment, and technology in fields such as artificial intelligence field in China have been continuously tightened. The Company attaches great importance to complying with foreign export control requirements and enhances the monitoring and research of export control regulations of the United States. It promptly analyses and assesses risk dynamic and responds prudently to U.S. regulatory suppression and restrictions and strives to safeguard the national interests, national security, and corporate interests.

The scope of the 2025 overall risk evaluation covered the whole Group, which included the headquarters of the Group, 31 provincial branches, and its cities-level branch offices multiple subsidiaries. Through both the quantitative and qualitative analysis, the Company fully considered the changes in operating environment, business and policies, identified the potential risks to the Company's operation, and planned for the risk according to the quantitative result. After reporting to each professional departments and the management, the significant risks and the risk level of the year were finally determined. The annual risk management instructions from the management were implemented according to the Policy on Risk Management and the Company's risk management requirement. This included the formulation of relevant risk management strategies, solution and corresponding departments, as well as organising the carrying out of interim follow-up inspection works. The negative impacts arising from the risks and risk events were controlled as planned and were within an acceptable range. During the year, there were no significant changes in the risk management and internal control systems of the Company and no significant control failings or weaknesses that have been identified.

## **Monitoring and optimisation**

To ensure the effectiveness of risk management and internal control designs, the Company carried out risk evaluation timely and compared the risk points, formulated or enhanced corresponding internal control measures according to the change in business and management. At the same time, the internal control manual will be updated timely through the assessment and review on applications on internal control workflow modification submitted by professional departments, risk evaluation reports and exceptional issues from internal control assessment etc., so as to provide the effective support for the development of the sustainable growth of the Company. Internal Control and Risk Management Office conducted inspections on effectiveness on risk management and internal control implementation in regular or irregular time interval, improved and enhanced risk management and internal control designs continuously. Our Internal Audit Department has continued to organise our branches and subsidiaries to conduct annual internal control self-assessment based on the actual conditions of each unit and improve the quality of such self-assessment tasks, so as to gradually develop a quantitative internal assessment regime governed by uniform standards. Through the effective rectification of issues identified during the audit, assessment of the internal control system and its implementation, improvements made to the system and process optimisation, a long-term mechanism for closed-loop management in internal control has been put in place. According to the internal control self-assessment reports from the branches and subsidiaries, self-assessment reports from each professional department, current year exceptional issues in internal control discovered during internal audit and the Company annual risk management report, the Group's Internal Control and Risk Management Office at its headquarter formed the Company's internal control self-assessment report, which acted as supporting document for the management to issue a statement of the effectiveness of internal control. Based on different disclosure requirements on Company's internal control assessment report from different listing regulatory body, the Company prepared internal control assessment report respectively.

As a telecommunications operator, the Company is subject to the laws and regulations, e.g., relevant provisions in the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China and Anti-Telecom and Online Fraud Law of the People's Republic of China, designed to protect critical information infrastructure. Personal privacy, information security, and data protection are increasingly significant issues in China and other jurisdictions in which the Company operate. For example, The Data Security Law of the People's Republic of China and Personal Information Protection Law of the People's Republic of China published in 2021 further regulate data and personal information processing activities,

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and protect the legitimate rights and interests of individuals and organisations from being infringed. The Anti-Telecom and Online Fraud Law of the People's Republic of China published in 2022 which clearly stated that telecommunications, finance, and network institutions are the main anti-fraud focus entities, and carry out targeted system design for various aspects of telecom and online fraud to consolidate corporate responsibility. The Company also devotes significant resources to network security, data security and other security measures to protect its systems and data and in response to the evolving cybersecurity laws and regulations. The Company also employs risk management and internal control systems, including, among other things, (i) continuously strengthening data security capabilities, such as improving data encryption, protection of critical information infrastructure and security of supply chain of the information technology products and services; (ii) establishing data protection compliance policies and guidelines, including training on crisis management and compliance of cybersecurity laws and regulations; (iii) self-examining potential risks and weakness of data system and updating private policy; (iv) enhancing the real-time monitoring and alarm reporting system and implementing an emergency action plan to allow the Company to act responsively and minimise losses in the event of an emergency; and (v) continuously improving compliance efforts through enhanced sharing of relevant knowledge internally and externally. The Company is required to perform a security assessment when transferring personal information and important data overseas if such personal information and important data are collected and generated from the operation in China.

#### **Annual review**

The Board oversees the Company's risk management and internal control systems on an ongoing basis and the Board conducted an annual review of the risk management and internal control systems of the Company and its subsidiaries for the financial year ended 31 December 2025, which covered all material controls including financial, operational and compliance controls. After receiving the reports from the Internal Audit Department, as well as the confirmation from the management to the Board on the effectiveness of these systems, the Board is of the view that the risk management and internal control systems of the Company and its subsidiaries are effective and adequate, and risk management and internal control systems are appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code. The review also ensures the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting function, as well as those relating to the Company's ESG performance and reporting.

# Corporate Governance Report

## **Information Disclosure Controls and Procedural Standards**

In order to further enhance the Company's system of information disclosure, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures (including inside information), the Company has adopted and implemented the Information Disclosure Control Policy. In an effort to standardise the principles for information disclosures, the Company established the Information Disclosure Review Committee under the management and formulated the procedures in connection with the compilation and reporting of the Company's financial and operational statistics and other information, as well as the procedures in connection with the preparation and review of the periodic reports. Moreover, the Company established detailed implementation rules with respect to the contents and requirements of financial data verification, in particular, the upward undertakings by the individual responsible officers at the major departments.

## **Anti-corruption policy and work**

China Unicom has profoundly grasped the dialectical unity between "punishment, management, and prevention" and has coordinated the integration and deep fusion of rectifying conduct, enforcing discipline, and anti-corruption with reform and development, system improvement, and governance promotion. The Company continued to refine its anti-corruption systems and mechanisms to steadily consolidate and develop a clean and upright ecosystem. During the reporting period, the Company complied with the relevant laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering.

## **Enhancing the overall anti-corruption synergy**

- Further improved the communication and consultation mechanism between the headquarters of China Unicom and the discipline inspection and supervision group of the Central Commission for Discipline Inspection of the CPC (CCDI) and the National Commission of Supervision of the PRC (NCS) resided in China Unicom, as well as the working mechanism of the anti-corruption coordination group, to build a work framework where each party assumes its own responsibilities with unified coordination, and to promote more synergistic and efficient anti-corruption collaboration and cooperation.
- During the year, 13 corruption cases were handled, and 8 persons were dismissed and disciplined due to corruption.

## **Strengthening petition and whistleblowing work**

- Continuously improved the level of standardisation, legalisation, and regularisation of petition and whistleblowing work, refined the classification of petition and whistleblowing, standardised the procedures for accepting and handling overseas petitions and whistleblowing, organised and conducted special inspections on the handling of petitions and whistleblowing, further unblocked channels for reporting and accusation, and ensure that public supervision effectively plays its role.
- Implemented rules and regulations such as the "Working Rules for Resident Body of Discipline Inspection and Supervision Agencies", supervised discipline inspection and supervision personnel to maintain strict confidentiality regarding reported matters, handling status, and information related to whistleblowers, controlled the scope of knowledge and timing of review and investigation matters, and protected the safety of informants, whistleblowers, and their close relatives.

### Deepening case-based reform and governance

- Issued the “Opinions on Enhancing the Effectiveness of Case-based Reform and Governance and Integrally Advancing the Improvement of Conduct, Discipline, and Anti-Corruption”, strengthening the full-cycle closed-loop management of individual case analysis, rectification of cases in professional fields, supervision and implementation, and assessment and evaluation. It achieved a transformation from “point-based” rectification by the units where cases occurred to “area-based” rectification in relevant professional fields, further combining the resolution of prominent problems with the enhancement of governance capabilities, and continuously increasing the comprehensive effectiveness of promoting case-based reform and governance.

### Regularising discipline education

- Established the “Exposure Platform” column on the China Unicom Discipline Inspection and Supervision website, and established a regularised mechanism for the public reporting and exposure of disciplinary cases using real names, to further leverage the role of local cases and local matters in educating and alerting local personnel.
- Widely solicited original integrity education short-videos and organised exhibitions and broadcasts through online + offline methods to enhance the pertinence and appeal of education, guiding the broad range of management personnel and employees to continuously strengthen their awareness of integrity and resistance to corruption.

In 2025, China Unicom provided anti-corruption education and training to a total of 4.129 million person-time and achieved 100% directors and employees coverage in anti-commercial bribery and anti-corruption training.

## POLICY ON PAYMENT OF DIVIDEND

The Company is committed to sharing the fruits of its long-term development with shareholders while continuing to promote good growth of revenue and profit and maintaining its sustainable development capability. The declaration and payment of future dividends will depend upon, among other things, financial condition, business prospects, future earnings, cash flow, liquidity level and cost of capital. The Company believes such policy will provide the shareholders with a stable return in the long term along with the growth of the Company. Pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Company’s articles of association, the Company may only pay dividends out of profits available for distribution.

The Board recommended the payment of a final dividend of RMB0.1329 per share for the year ended 31 December 2025, together with an interim dividend of RMB0.2841 per share already paid during the year, total dividend for 2025 amounted to RMB0.4170 per share.

# Corporate Governance Report

## CORPORATE TRANSPARENCY AND INVESTOR RELATIONS

In addition to publishing annual reports and interim reports, the Company discloses major unaudited financial information (including revenue, operating expenses, net profit) and other key performance indicators on a quarterly basis and announces key operational statistics on a timely basis in order to enhance the Company's transparency and improve investors' understanding of the business operations of the Company.

Upon the announcement of interim and annual results, the Company will generally hold analyst briefings, press conferences, and global conference with investors. During such conferences, the management of the Company would interact directly with analysts, fund managers, investors and journalists to provide them with relevant information and data of the Company. The Company's management would accurately and thoroughly respond to questions raised by analysts, fund managers, investors and journalists. Archived webcast of the investor presentation is also available on the Company's website to ensure wide dissemination of information and data.

The Company's investor relations department is responsible for providing information and services requested by investors, maintaining timely communications with investors and fund managers, including responding to investors' inquiries and meeting with company-visit investors, as well as gathering market information and passing views from shareholders to the Directors and management to ensure such views are properly communicated. The Company also arranges from time to time road shows and actively attends investor conferences arranged by investment banks, through which the Company's management meets and communicates with investors to provide them with opportunities to understand more accurately the Company's latest development and performance in various aspects, including business operations and management.



In 2025, the Company participated in the following investor conferences:

<b>Date</b>	<b>Conferences</b>
January 2025	Citi 2025 China Technology and Telecom Corporate Day
January 2025	UBS Greater China Conference 2025
March 2025	Jefferies 6th Asia Forum
May 2025	Macquarie Asia Conference 2025
May 2025	UBS Asian Investment Conference 2025
June 2025	Changjiang Securities A/H Listed Companies Forum
August 2025	Citi 2025 China TMT Corporate Day
September 2025	HSBC 12th Annual China Conference
September 2025	Goldman Sachs Asia Leaders Conference 2025
September 2025	32nd CITIC CLSA Investors' Forum
September 2025	Huaxi Securities Listed Companies Forum 2025
November 2025	Citi China Investor Conference 2025

In addition, through announcements, press releases and the Company website ([www.chinaunicom.com.hk](http://www.chinaunicom.com.hk)), the Company disseminates the latest information regarding any significant business development in a timely and accurate manner. In the perspective of investor relations, the Company's website not only serves as an important channel for the Company to disseminate press releases and corporate information to investors and the capital market, but also plays a significant role in the Company's valuation and our compliance with regulatory requirements for information disclosure. In 2025, the Company updated the content of its website on an ongoing basis to further enhance the functions of website and level of transparency in information disclosure, striving for achieving international best practices. Our website was honored with "Best of Show — World's Best Investor Relations Website" by an international institution, "iNova Awards", this year.

Furthermore, the Company has determined a Shareholders' Communication Policy which has been uploaded on the Company's website, so as to ensure that the shareholders of the Company are provided with readily, equal and timely access to balanced and understandable information about the Company, to enable shareholders to exercise their rights in an informed manner, and to enhance the shareholders' and the investment community's communication with the Company. The Company maintains an on-going dialogue with shareholders while gathering market information and passing views from shareholders to the Directors and management, through the different channels as set out in the Shareholders' Communication Policy, including but not limited to corporate communications, company's website, general meetings and investor conferences. The Board reviewed the Company's shareholders and investor engagement and communication activities conducted during the year and was satisfied with the implementation and effectiveness of the Shareholders' Communication Policy.

The Company's effort in investor relations is well recognised by the capital market, and accredited with a number of awards. The Company was voted as "Best IR Program (Telecoms)" in "2025 All-Asia Executive Team" ranking organised by Extel (formerly Institutional Investor).

# Corporate Governance Report

## SHAREHOLDERS' RIGHTS

### Annual General Meeting

The Board endeavors to maintain an on-going dialogue with shareholders, and in particular, to communicate with shareholders through annual general meetings. Notices of annual general meeting are sent to shareholders at least 21 days before the meeting. The Directors and representatives of the Board committees usually attend the meetings and treasure the opportunities to communicate with shareholders at such meetings. The independent auditor also attends the annual general meeting for the reporting to shareholders every year. At general meetings, the chairman of the meeting proposes individual resolutions in respect of each substantially separate matter. All matters at the Company's general meetings are resolved by poll and the relevant procedures are explained at the meeting. The Company also appoints external scrutineers to ensure that all votes are counted and recorded appropriately, and publishes the poll results in a timely manner.

The last annual general meeting of the Company was held on 29 May 2025, at which the following resolutions were passed and percentage of votes cast in favor of the resolutions are set out as follows:

- to receive and consider the financial statements and the Reports of the Directors and of the Independent Auditor for the year ended 31 December 2024 (over 99%)
- to declare a final dividend for the year ended 31 December 2024 (over 99%)
- to re-elect Mr. Chung Shui Ming Timpson and Mrs. Law Fan Chiu Fun Fanny as Directors, and to authorise the Board to fix remuneration of the Directors (over 98%)
- to re-appoint auditor and authorise the Board to fix their remuneration for the year ending 31 December 2025 (over 99%)
- to grant a general mandate for share buy-back (over 99%)
- to grant a general mandate to issue new shares (over 97%)
- to extend the general mandate to issue new shares (over 97%)

The next annual general meeting will be held on 26 May 2026. Please refer to the circular, which sets out the details, that has been dispatched together with this Annual Report.

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### **Putting Forward Resolutions at Annual General Meetings**

Pursuant to Section 615 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the following persons may put forward a resolution at the next annual general meeting of the Company: (a) any number of shareholders, together holding not less than 2.5% of the total voting rights of all shareholders which have, as at the date of the requisition, a right to vote at the next annual general meeting, or (b) not less than 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate.

The resolution must be one which may be properly moved and is intended to be moved at the next annual general meeting. The requisition must be signed by the requisitionists and deposited at the registered office of the Company at least six weeks or if later, the time at which notice is given of the annual general meeting before the annual general meeting, the Company has a duty to give notice of such proposed resolution to all shareholders who are entitled to receive notice of the next annual general meeting.

In addition, requisitionists may require the Company to circulate to shareholders entitled to receive notice of the annual general meeting a statement of not more than 1,000 words with respect to the resolution to be proposed. However, the Company is not required to circulate any statement if the court is satisfied that this right is being abused to secure needless publicity for defamatory matters. In such event, the requisitionists may be ordered to pay for the Company's expenses for application to the court.

If the requisition signed by the requisitionists does not require the Company to give shareholders notice of a resolution, such requisition may be deposited at the registered office of the Company not less than one week before the next annual general meeting.

### **Convening Extraordinary General Meetings**

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholder(s) holding not less than 5% of the total voting rights of all shareholders having a right to vote at general meetings of the Company as at the date of deposit of the requisition, may request the Directors of the Company to convene an extraordinary general meeting. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company.

If the Directors do not, within 21 days from the date of deposit of the requisition, proceed duly to convene a meeting to be held not more than 28 days after the notice of the meeting, shareholder(s) requisitioning the meeting, or any of them representing more than half of their total voting rights, may themselves convene a meeting to be held within three months of such date.

Meetings convened by the requisitionists must be convened in the same manner, as nearly as possible, as meetings to be convened by Directors of the Company. Any reasonable expenses incurred by the requisitionists will be reimbursed by the Company due to the failure of the Directors duly to convene a meeting.

# Corporate Governance Report

## Putting Forward Resolutions at Extraordinary General Meetings

Shareholders may not put forward resolutions to be considered at any general meetings other than annual general meetings. However, shareholders may request an extraordinary general meeting to consider any such resolution as described in “Convening Extraordinary General Meetings” above.

Any queries relating to shareholders’ rights on putting forward resolutions at general meetings and convening extraordinary general meetings should be directed to the Company Secretary of the Company. Requisitions should be deposited at the Company’s registered office and marked for the attention of the Company Secretary.

## THE ARTICLES OF ASSOCIATION

There was no change in the articles of association of the Company during the year.

## CONTINUOUS EVOLUTION OF CORPORATE GOVERNANCE

The Company continuously analyses the corporate governance development of international advanced enterprises and the investors’ desires, reviews and enhances corporate governance procedures and practices from time to time so as to meet our shareholders’ expectations, commits to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of the Company’s business.



## ENQUIRY ON THE COMPANY

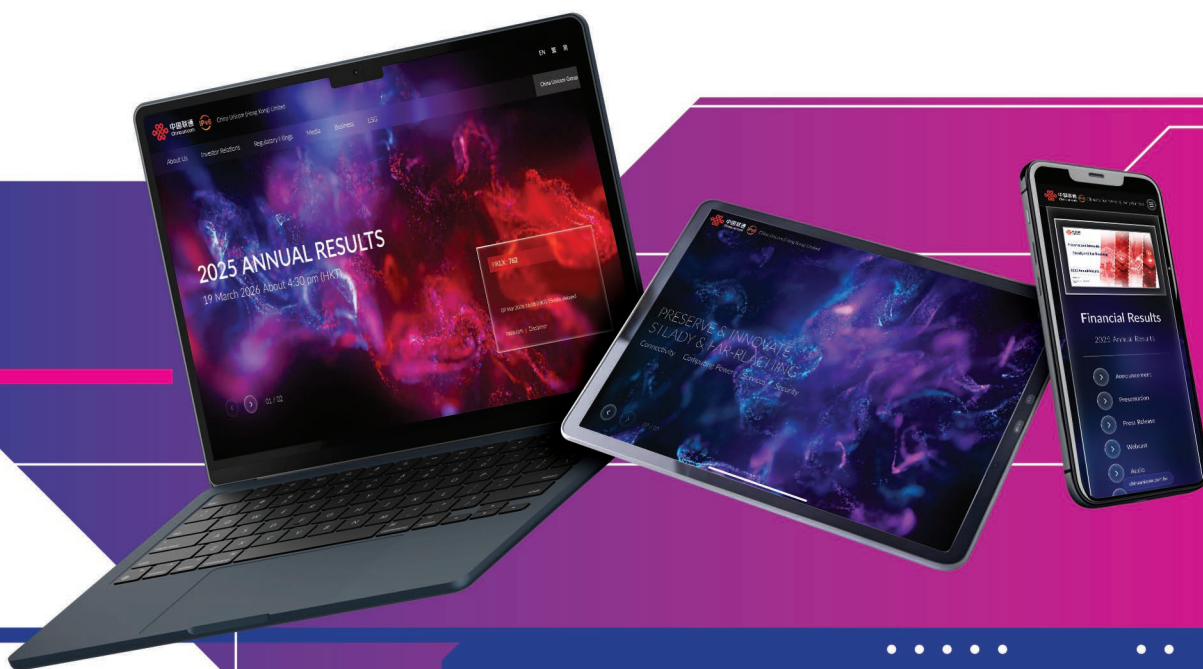
Shareholders may raise any enquiry on the Company at any time through the following channels:

China Unicom (Hong Kong) Limited

Address: 75th Floor, The Center, 99 Queen's Road Central, Hong Kong

Tel : (852) 2126 2018  
Website : [www.chinaunicom.com.hk](http://www.chinaunicom.com.hk)  
Email : [ir@chinaunicom.com.hk](mailto:ir@chinaunicom.com.hk)

These contact details are also available in the "Contact Us" section on the Company's website ([www.chinaunicom.com.hk](http://www.chinaunicom.com.hk)) designated to enable shareholders to send enquiries to the Company on a timely and effective manner.



<https://www.chinaunicom.com.hk>

# Report of *Directors*

The board of directors (the “Board”) of China Unicom (Hong Kong) Limited (the “Company”) is pleased to present its report together with the audited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

## **PRINCIPAL ACTIVITIES**

The principal activity of the Company is investment holding. The principal activities of Company’s subsidiaries are the provision of comprehensive telecommunications services.

## **RESULTS AND APPROPRIATION**

The results of the Group for the year ended 31 December 2025 are set out on pages 101 to 102 of this annual report.

The Board has resolved to recommend at the forthcoming shareholders’ general meeting that the payment of a final dividend of RMB0.1329 per ordinary share (“2025 Final Dividend”) for the year ended 31 December 2025, totaling approximately RMB4,066 million. Together with the 2025 interim dividend payment of RMB0.2841 per share during 2025, the total dividend payment for 2025 amounted to RMB0.4170 per share, totaling approximately RMB12,759 million (2024: RMB12,370 million). If approved by shareholders at the forthcoming annual general meeting, the 2025 Final Dividend is expected to be paid in Hong Kong dollars on or about 24 June 2026 to those members registered in the Company’s register of members as at 5 June 2026 (the “Final Dividend Record Date”).

## **FINANCIAL INFORMATION**

Please refer to the Financial Summary on pages 214 to 215 for the summary of the operating results, assets and liabilities of the Group for the five years ended 31 December 2025.

Please refer to the financial statements on pages 101 to 213 for the operating results of the Group for the year ended 31 December 2025 and the respective financial positions of the Group and the Company as at that date.

## **BUSINESS REVIEW**

The business review of the Group for the year ended 31 December 2025 is set out in the sections headed “Chairman’s Statement” on pages 8 to 15, “Business Overview” on pages 16 to 19, “Financial Overview” on pages 20 to 25, “Financial Statements” on pages 101 to 213, “Human Resources Development” on pages 94 to 95, “Corporate Governance Report” on pages 40 to 75 and “Report of the Directors” on pages 76 to 93 respectively of this annual report. All references herein to other sections or reports in this annual report form part of this Report of the Directors.

## LOANS

Please refer to Notes 34, 38 and 43.1 to the consolidated financial statements for details of the borrowings of the Group.

## CAPITALISED INTEREST

Please refer to Note 16 to the consolidated financial statements for details of the interest capitalised by the Group for the year.

## EQUITY-LINKED AGREEMENTS

Other than the share scheme as disclosed in this Report of the Directors, as at 31 December 2025, no equity-linked agreements were entered into by the Group or subsisted during the year.

## PROPERTY, PLANT AND EQUIPMENT

Please refer to Note 16 to the consolidated financial statements for movements in the property, plant and equipment of the Group for the year.

## CHARGE ON ASSETS

As at 31 December 2025, no property, plant and equipment was pledged to banks as loan security (31 December 2024: Nil).

## SHARE CAPITAL

Please refer to Note 31 to the consolidated financial statements for details of the share capital.

## RESERVES

Please refer to page 106 and page 194 of this annual report for the movements in the reserves of the Group and the Company during the year ended 31 December 2025 respectively. As at 31 December 2025, the distributable reserve of the Company amounted to approximately RMB12,386 million (2024: approximately RMB14,989 million).

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Please refer to Notes 19, 20 and 21 to the consolidated financial statements for details of the Company's subsidiaries, the Group's associates and joint ventures.

## CHANGES IN SHAREHOLDERS' EQUITY

Please refer to page 106 of this annual report for the Consolidated Statement of Changes in Equity and page 194 for the Statement of Changes in Equity.

## EMPLOYEE BENEFIT EXPENSES

Please refer to Note 9 to the consolidated financial statements for details of the employee benefit expenses provided to employees of the Group.

# Report of Directors

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in the articles of association of the Company requiring the Company to offer new shares to the existing shareholders in proportion to their shareholdings.

## MAJOR CUSTOMERS AND SUPPLIERS

The Group's sales to its five largest customers for the year ended 31 December 2025 did not exceed 30% of the Group's total turnover for the year.

The Group's total purchases attributable to the five largest suppliers for the year ended 31 December 2025 did not exceed 30% of the Group's total purchases for the year.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of Directors and chief executives of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), were as follows:

### Long Positions in the Shares and Underlying Shares of the Company

Name of Director	Capacity	Ordinary Share Held	Percentage of Issued Shares
Chung Shui Ming Timpson	Beneficial owner (Personal)	6,000	0.00%

Save as disclosed in the foregoing, as at 31 December 2025, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares, or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Furthermore, save as disclosed in the foregoing, during the year ended 31 December 2025, none of the Directors or chief executives (including their spouses and children under the age of 18) of the Company had any interests in or was granted any right to subscribe in any shares, underlying shares, or debentures of the Company or any of its associated corporations, or had exercised any such rights.

### **MATERIAL INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 31 December 2025, the following persons (other than disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures") had the following interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO:

#### **Long Positions in the Shares and Underlying Shares of the Company**

Name of Shareholders	Ordinary Shares Held		Percentage of Issued Shares
	Directly	Indirectly	
(i) China United Network Communications Group Company Limited ("Unicom Group") <sup>1,2</sup>	—	24,683,896,309	80.67%
(ii) China United Network Communications Limited ("A Share Company") <sup>1</sup>	—	16,376,043,282	53.52%
(iii) China Unicom (BVI) Limited ("Unicom BVI") <sup>1</sup>	16,376,043,282	—	53.52%
(iv) China Unicom Group Corporation (BVI) Limited ("Unicom Group BVI") <sup>2,3</sup>	8,082,130,236	225,722,791	27.15%

#### Notes:

- (1) Unicom Group and A Share Company directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of Unicom BVI, and in accordance with the SFO, the interests of Unicom BVI are deemed to be, and have therefore been included in, the respective interests of Unicom Group and A Share Company.
- (2) Unicom Group BVI is a wholly-owned subsidiary of Unicom Group. In accordance with the SFO, the interests of Unicom Group BVI are deemed to be, and have therefore been included in, the interests of Unicom Group.
- (3) Unicom Group BVI holds 8,082,130,236 shares (representing 26.41% of the total issued shares) of the Company directly. In addition, Unicom Group BVI is also interested in 225,722,791 shares (representing 0.74% of the total issued shares) of the Company under the SFO, in which Unicom Group BVI had a pre-emptive right.

Apart from the foregoing, as at 31 December 2025, no person had any interest or short position in the shares or underlying shares in the Company as recorded in the register required to be kept under Section 336 of the SFO.

# Report of Directors

Please also refer to Note 31 to the consolidated financial statements for details of the share capital of the Company.

## REPURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any of the Company's listed shares (including sale of treasury shares). As at 31 December 2025, the Company did not hold any treasury shares.

## COMPOSITION OF THE BOARD

The following is the list of Directors during the year and up to the date of this report.

### Executive Directors:

Dong Xin (*Chairman and Chief Executive Officer*) (appointed on 14 January 2026)

Chen Zhongyue (resigned on 29 October 2025)

Jian Qin

Tang Yongbo (appointed on 27 June 2025)

Wang Junzhi (resigned on 22 May 2025)

Li Yuzhuo

### Independent Non-Executive Directors:

Cheung Wing Lam Linus

Chung Shui Ming Timpson

Law Fan Chiu Fun Fanny

Fan Chun Wah Andrew

Pursuant to the articles of association, Mr. Dong Xin, Mr. Tang Yongbo, Mr. Cheung Wing Lam Linus and Mr. Fan Chun Wah Andrew will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Please refer to Note 9 to the consolidated financial statements for details of the emoluments of the Directors.

## INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors the annual confirmation of his independence and the Company considers that all independent non-executive Directors are currently independent.

## **DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS**

Save for the service agreements between the Company and the executive Directors subsisted during 2025 or as at 31 December 2025, the Directors or his/her connected entity(ies) did not have any material interest, whether directly or indirectly, in any significant transaction, arrangement or contract entered into by the Company.

None of the Directors for re-election at the forthcoming annual general meeting has an unexpired service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## **DIRECTORS' INTEREST IN COMPETING BUSINESSES**

Unicom Group and A Share Company are engaged in telecommunications business and other related businesses in China that are similar to and/or compete with those of the Company. Executive directors of the Company also hold executive positions with Unicom Group and A Share Company. Please refer to the section headed "Directors and Senior Management" on pages 28 to 39 of this annual report for further details.

Mr. Tang Yongbo, an executive Director of the Company, serves as a non-executive director of HKT Limited and HKT Management Limited (the trustee manager of the HKT Trust), and a non-executive director and the deputy chairman of the Board of PCCW Limited.

Each of HKT Limited, HKT Management Limited and PCCW Limited is engaged in the telecommunications business and other related businesses that may compete with those of the Company.

Apart from the above, there are no competing interests of directors which are disclosable under Rule 8.10(2)(b) of the Listing Rules at any time during the year of 2025 up to and including the date of this report.

## **DIRECTORS OF SUBSIDIARIES**

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended 31 December 2025 and up to the date of this report of directors are available on the Company's website ([www.chinaunicom.com.hk](http://www.chinaunicom.com.hk)).

## **PERMITTED INDEMNITY**

Pursuant to the Company's articles of association, subject to the applicable laws and regulations, every Director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

## EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had approximately 235,950 employees, 819 employees and 482 employees in Chinese Mainland, Hong Kong-Macau-Taiwan and other countries, respectively. Furthermore, the Group had approximately 9,179 temporary staff in Chinese Mainland. For the year ended 31 December 2025, employee benefit expenses were approximately RMB66.55 billion (for the year ended 31 December 2024: RMB64.93 billion), of which the salary of the contract employees was approximately RMB43.11 billion (for the year ended 31 December 2024: RMB44.04 billion). The Group endeavors to maintain its employees' remuneration in line with the market trend and to remain competitive. Employees' remuneration is determined in accordance with the Group's remuneration and bonus policies based on their performance. The Group also provides comprehensive benefit packages and career development opportunities for its employees, including retirement benefits, housing benefits and internal and external training programmes, which are tailored in accordance with individual needs.

## CONTINUING CONNECTED TRANSACTIONS

On 28 October 2022, CUCL, a wholly-owned subsidiary of the Company, and Unicom Group entered into a comprehensive services agreement (the "2023–2025 Comprehensive Services Agreement") while Finance Company ("Finance Company"), a subsidiary of the Company, and Unicom Group entered into a financial services agreement (the "2023–2025 Financial Services Agreement"). Pursuant to the 2023–2025 Comprehensive Services Agreement, CUCL and Unicom Group agreed to provide services to each other or by one to the other, including (i) use of telecommunications resources; (ii) property leasing; (iii) value-added telecommunications services; (iv) materials procurement services; (v) engineering design and construction and IT services; (vi) ancillary telecommunications services; (vii) comprehensive support services and (viii) shared services. Pursuant to 2023–2025 Financial Services Agreement, Finance Company agreed to provide financial services to Unicom Group. The above continuing connected transactions will be for a term of three years from 1 January 2023 to 31 December 2025.

With the continuous expansion of operating scale and the continuous improvement of the centralised capital management capabilities of CUCL, a wholly-owned subsidiary of the Company, and subject to the satisfaction of the daily operation of CUCL and its subsidiary, Finance Company, the actual amount of the lending and other credit services between Finance Company and Unicom Group in 2023 (RMB4,633 million) was close to the cap of the transaction (RMB4,650 million). In order to further satisfy the capital management needs of CUCL and enhance the capital efficiency, on 19 March 2024, the Board approved Finance Company and Unicom Group to enter into a supplemental agreement to revise the caps, being the daily lending and other credit services balance (including accrued interests) for the lending and other credit services to be provided by Finance Company to Unicom Group under the 2023–2025 Financial Services Agreement for each of the two years ending 31 December 2024 and 2025 to RMB7,500 million, respectively. Save as disclosed above, all other terms and conditions under the 2023–2025 Financial Services Agreement remain unchanged and valid.

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Unicom Group is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Details of the continuing connected transactions under the 2023–2025 Comprehensive Services Agreement and the 2023–2025 Financial Services Agreement are as follows:

**(1) Use of Telecommunications Resources**

Unicom Group agrees to provide to CUCL:

- (a) certain international telecommunications resources (including international telecommunications channel gateways, international telecommunications service gateways, international submarine cable capacity, international land cables and international satellite facilities); and
- (b) certain other telecommunications facilities required by CUCL for its operations.

The usage charges of international telecommunications resources and other telecommunications facilities are based on the annual depreciation and amortisation charges of such resources and telecommunications facilities provided that such charges would not be higher than the market rates. CUCL will be responsible for the on-going maintenance of such international telecommunications resources. CUCL and Unicom Group will determine and agree which party is to provide maintenance service for the telecommunications facilities referred to in paragraph (b) above. Unless otherwise agreed by CUCL and Unicom Group, such maintenance service charges would be borne by CUCL. If Unicom Group is responsible for maintaining any telecommunications facilities referred to in paragraph (b) above, CUCL will pay to Unicom Group the relevant maintenance service charges which will be determined with reference to market rates, or where there is no market rates will be agreed between the parties and determined based on reasonable costs plus reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margins in the corresponding period for reference. The net usage charges due to Unicom Group for the provision of the above telecommunications resources and facilities will be settled between CUCL and Unicom Group on a quarterly basis.

For the year ended 31 December 2025, the total charges paid by CUCL to Unicom Group amounted to approximately RMB233 million.

## **(2) Property Leasing**

CUCL and Unicom Group agree to lease to each other properties and ancillary facilities owned by CUCL or Unicom Group (including their respective branches and subsidiaries).

The rental charges for the leasing of each other properties and ancillary facilities are based on market rates. Where there is no market rate or it is not possible to determine the market rate, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services are provided by Independent Third Parties in the ordinary course of business and under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The rental charges are payable quarterly in arrears.

For the year ended 31 December 2025, the rental charges paid by CUCL to Unicom Group (relating to those leases of which the lease term is 12 months or less) amounted to approximately RMB1,151 million, the total value of right-of-use assets involved in the properties leased by CUCL (relating to those leases of which the lease term exceeds 12 months) amounted to approximately RMB260 million, and the rental charges paid by Unicom Group to CUCL was RMB41 million.

## **(3) Value-added Telecommunications Services**

Unicom Group (or its subsidiaries) agrees to provide the customers of CUCL with various types of value-added telecommunications services.

CUCL will settle the revenue generated from the value-added telecommunications services with the branches of Unicom Group (or its subsidiaries) on the condition that such settlement will be based on the average revenue for independent value-added telecommunications content providers who provide value-added telecommunications content to CUCL in the same region. The amount will be settled on a monthly basis.

For the year ended 31 December 2025, the total amount allocated to Unicom Group in relation to value-added telecommunications services amounted to approximately RMB93 million.

## **(4) Materials Procurement Services**

Unicom Group agrees to provide comprehensive procurement services for imported and domestic telecommunications materials and other domestic non-telecommunications materials to CUCL. Unicom Group has also agreed to provide services on management of tenders, verification of technical specifications, installation, consulting and agency services. In addition, Unicom Group will sell materials to CUCL and resell the equipment purchased from the third parties, and will also provide storage and logistics services in relation to the above materials procurement.

Charges for the provision of materials procurement services are calculated at the rate of:

- (a) up to 3% of the contract value of those procurement contracts in the case of domestic materials procurement; and
- (b) up to 1% of the contract value of those procurement contracts in the case of imported materials procurement.

The charges for the provision of materials by Unicom Group, and the pricing and/or charging standard of the commission for various materials procurement services, and storage and logistics services relevant to the direct material procurement are based on the market rates. Where there is no market rate or it is not possible to determine the market rate, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services is provided by Independent Third Parties in the ordinary course of business and under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs incurred in providing the services plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The service charges due to Unicom Group will be settled on a monthly basis.

For the year ended 31 December 2025, the total charges paid by CUCL to Unicom Group amounted to approximately RMB25 million.

#### **(5) Engineering Design and Construction and IT Services**

Unicom Group agrees to provide engineering design, construction and supervision services and IT services to CUCL. Engineering design services include planning and design, engineering inspection, telecommunications electronic engineering, telecommunications equipment engineering and corporate telecommunications engineering. Construction services include services relating to telecommunications equipment, telecommunications routing, power supplies, telecommunications conduit, and technical support systems. IT services include communications technology services (including construction and installation services, system integration services, software development, product sales and agent services, operation and maintenance services, and consultation services).

The charges for the provision of engineering design and construction and IT services are based on market rates. Market rates refer to the rates at which the same or similar type of products or services are provided by Independent Third Parties in the ordinary course of business and under normal commercial terms. When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties in the corresponding period

for reference. In the event the recipient will determine the specific provider of engineering design and construction and IT services through tender, the provider shall be no less qualified and equipped than the Independent Third Parties, and shall participate in the tender procedure on an equal footing with the Independent Third Parties. Under such circumstances, the pricing will be determined by the final rate according to the tender procedure. The service charges will be settled between CUCL and Unicom Group as and when the relevant services are provided.

For the year ended 31 December 2025, the total charges paid by CUCL to Unicom Group amounted to approximately RMB945 million.

#### **(6) Ancillary Telecommunications Services**

Unicom Group agrees to provide ancillary telecommunications services to CUCL. These services include certain telecommunications pre-sale, on-sale and after-sale services such as assembling and repairing of certain client telecommunications equipment, sales agency services, printing and invoice delivery services, maintenance of telephone booths, customers acquisitions and servicing and other customers' services.

The charges payable for the provision of ancillary telecommunications services are determined by the market rates between the two parties. Where there is no market rate or it is not possible to determine the market rates, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services are provided by Independent Third Parties under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The service charges will be settled between CUCL and Unicom Group as and when the relevant services are provided.

For the year ended 31 December 2025, the total services charges paid by CUCL to Unicom Group amounted to approximately RMB1,080 million.

#### **(7) Comprehensive Support Services**

Unicom Group and CUCL agree to provide comprehensive support services to each other, including dining services, facilities leasing services (excluding those facilities which are provided under the paragraph headed "Use of Telecommunications Resources" above), vehicle services, health and medical services, labour services, security services, hotel and conference services, gardening services, decoration and renovation services, construction agency, equipment maintenance services, market development, sanitary services, parking services, staff trainings, storage services, advertising services, marketing, property management services.

CUCL agrees to provide comprehensive services to Unicom Group, including sales services, technical support services, research and development services, communication services and communications technology services (including construction and installation services, system integration services, software development, product sales and agent services, operation and maintenance services, and consultation services).

The service charges are determined by the market rates between the two parties. Where there is no market rate or it is not possible to determine the market rate, the rate will be negotiated and agreed between the two parties. Market rates refer to the rates at which the same or similar type of assets or services are provided by Independent Third Parties under normal commercial terms. Negotiated rates refer to the rates based on the reasonable costs plus the amount of the relevant taxes and reasonable profit margin. When determining the pricing standard or reasonable profit margin, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered into with Independent Third Parties or the relevant industry profit margin in the corresponding period for reference. The service charges will be settled between CUCL and Unicom Group as and when the relevant services are provided.

For the year ended 31 December 2025, the total services charges paid by CUCL to Unicom Group amounted to approximately RMB765 million, and the total services charges paid by Unicom Group to CUCL amounted to approximately RMB358 million.

#### **(8) Shared Services**

Unicom Group and CUCL agree to provide shared services to each other, including, but not limited to, the following: (a) CUCL will provide headquarter human resources services to Unicom Group; (b) CUCL will provide business support centre services to Unicom Group; (c) CUCL will provide hosting services related to the services referred to in paragraphs (a) and (b) above to Unicom Group; and (d) Unicom Group will provide premises to CUCL and other shared services requested by its headquarters. Unicom Group and CUCL will share the costs related to the shared services proportionately in accordance with their respective total assets value, except that the total assets value of the overseas subsidiaries and the listed company of Unicom Group will be excluded from the total asset value of Unicom Group, and the shared costs proportion will be agreed between Unicom Group and CUCL in accordance with the total assets value set out in the financial statements provided to each other, as adjusted in accordance with their respective total assets value on an annual basis.

For the year ended 31 December 2025, the total services charges paid by CUCL to Unicom Group amounted to approximately RMB77 million, and the services charges paid by Unicom Group to CUCL was negligible.

## **(9) Financial Services**

Finance Company agrees to provide financial services to Unicom Group, including deposit services, lending and other credit services, and other financial services. Other financial services include settlement services, entrusted loans, financial and financing consultation, entrusted investment, bond underwriting, consultation, agency business, and other businesses approved by China Banking and Insurance Regulatory Commission or its agency for Finance Company.

The key pricing policies are follows:

Finance Company agrees to provide financial services to Unicom Group. The interest rate or fee standard will be determined in strict accordance with the relevant regulations of the People's Bank of China and the China Banking and Insurance Regulatory Commission and other institutions, as follows:

### **(a) Deposit Services**

The maximum and minimum deposit interest rates will follow the provisions of the People's Bank of China for deposits of the same period and the same type, and be determined with reference to the interest rate for the same period and same type of deposit offered to Unicom Group by the major cooperative commercial banks of Unicom Group and/or offered by Finance Company to other clients, and will be on normal commercial terms.

### **(b) Lending and other credit services**

The lending and other credit services interest rates will follow the relevant provisions of the People's Bank of China, which will be based on Loan Prime Rate and be determined with reference to the interest rate for the same period and same type of lending and other credit services offered to the same type of corporations by the major cooperative commercial banks of Unicom Group and/or offered by Finance Company to its other clients, and will be on normal commercial terms. For the year ended 31 December 2025, the maximum daily lending and other credit services balance (including accrued interests) amounted to approximately RMB6,904 million.

### **(c) Other financial services**

The rate of financial services will be determined according to the principles of fairness and reasonableness, as well as the fair market price or the standards set by the state. The fees to be charged by Finance Company for the provision of the financial services to Unicom Group will comply with the relevant prescribed rates for such services as determined by the institutions, including the People's Bank of China or the China Banking and Insurance Regulatory Commission, etc. Where no relevant prescribed rate is applicable, the fee will be determined with reference to market rates of similar financial services charges and agreed fairly between the parties. For the year ended 31 December 2025, the total fees paid by Unicom Group to Finance Company amounted to approximately RMB2 million.

The service charges will be settled between Finance Company and Unicom Group as and when the relevant services are provided.

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For the financial year ended 31 December 2025, the above continuing connected transactions have not exceeded their respective caps.

The Company has formulated and strictly implemented various systems including the Administrative Measures of Connected Transactions of China Unicom to ensure that connected transactions are properly entered into in accordance with pricing mechanisms and the terms of the transactions are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The staff from the relevant business departments and the connected persons of the Company will negotiate the pricing terms of the continuing connected transactions. These pricing terms will be determined in accordance with the pricing policy principles set out in the 2023–2025 Comprehensive Services Agreement and the 2023–2025 Financial Services Agreement, which should be fair and reasonable and subject to the review of the finance department. For the year ended 31 December 2025, the Company has followed the pricing policies principles set out in the 2023–2025 Comprehensive Services Agreement and the 2023–2025 Financial Services Agreement when determining the pricing terms.

The legal department is responsible for the review of the agreement for connected transactions. The finance department takes the lead in the daily management and supervision of connected transactions, including liaising with the relevant business departments for account reconciliation with connected parties, monitoring the implementation of connected transactions together with business departments on a routine basis and performing supervisory examination. The finance department regularly reports the status of the implementation of connected transactions to the Audit Committee. The audit department includes review on connected transactions into the scope of annual internal control assessment and reports the results to the management.

Furthermore, the aforesaid continuing connected transactions have been reviewed by independent non- executive Directors of the Company. In accordance with paragraph 14A.55 of the Listing Rules, the independent non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or better or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor has issued an unqualified letter containing his findings and conclusions in respect of the continuing connected

# Report of Directors

transactions disclosed by the Group in pages 82 to 89 of this annual report in accordance with paragraph 14A.56 of the Listing Rules. The independent auditors' letter has confirmed that nothing has come to their attention that cause them to believe that the continuing connected transactions:

- (A) have not been approved by the Board;
- (B) were not, in all material respects, in accordance with the pricing policies of the Group as stated in this annual report;
- (C) were not entered into, in all material respects, in accordance with the relevant agreements governing the continuing connected transactions; and
- (D) have exceeded their respective annual caps for the financial year ended 31 December 2025 set out in the previous announcements of the Company.

The Company confirms that it has complied with the requirements of Chapter 14A of the Listing Rules in relation to all connected transactions and continuing connected transactions to which any Group member was a party during 2025. Please refer to Note 43 to the consolidated financial statements for a summary of the related party transactions entered into by the members of the Group for the year ended 31 December 2025. Only those connected transactions specified in note 43.1 and 43.2 of the consolidated financial statements constitute continuing connected transactions under Chapter 14A of the Listing Rules, the details of which (except for fully exempt continuing connected transactions) have been disclosed in the paragraph "Continuing Connected Transactions" in the Report of the Directors above. Other related party transactions do not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

On 18 September 2025, CUCL entered into the 2026–2028 Comprehensive Services Agreement (the "2026–2028 Comprehensive Services Agreement") with Unicom Group, and Finance Company entered into the 2026–2028 Financial Services Agreement (the "2026–2028 Financial Services Agreement") with Unicom Group. Pursuant to the 2026–2028 Comprehensive Services Agreement, CUCL and Unicom Group agreed to provide services to each other or by one to the other, including (i) use of telecommunications resources and facilities; (ii) property leasing; (iii) value-added telecommunications services; (iv) materials procurement services; (v) engineering design and construction and IT services; (vi) ancillary telecommunications services; (vii) comprehensive support services and (viii) shared services. Pursuant to the 2026–2028 Financial Services Agreement, Finance Company agreed to provide financial services to Unicom Group. The above continuing connected transactions will be for a term of three years from 1 January 2026 to 31 December 2028.

## CORPORATE GOVERNANCE REPORT

Report on the Company's corporate governance is set out in "Corporate Governance Report" on pages 40 to 75.

## MATERIAL LEGAL PROCEEDINGS

As a company incorporated in Hong Kong and listed in Hong Kong, the Company adopts the Companies Ordinance of Hong Kong, the Securities and Futures Ordinance of Hong Kong, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company's Articles of Association and other related laws and regulations as the basic guidelines for the Company's corporate governance.

The principal activities of Company's subsidiaries are the provision of comprehensive telecommunications services. The Company is required to comply with the Cybersecurity Law of the People's Republic of China, Telecommunications Regulations of the People's Republic of China, Administrative Regulations on Telecommunications Companies with Foreign Investments and other related laws and regulations. At the same time, overseas subsidiaries of the Company are also required to comply with the related laws and regulations where their business operations are located.

For the year ended 31 December 2025, the Company had not been involved in any material litigation, arbitration or administrative proceedings. So far as the Company is aware of, no such material litigation, arbitration or administrative proceedings were pending or threatened as at 31 December 2025.

## PUBLIC FLOAT

Based on publicly available information and so far as Directors are aware, the Company has maintained the specified amount of public float as required by the Hong Kong Stock Exchange during the year ended 31 December 2025 and as at the date of this annual report.

## DONATIONS

For the year ended 31 December 2025, the Group made charitable and other donations in an aggregate amount of approximately RMB7.392 million.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the shareholders' rights to attend and vote at the Annual General Meeting (and any adjournment thereof) on 26 May 2026, and entitlement to the 2025 Final Dividend, the register of members of the Company will be closed for registration of transfer of shares. Details of such closures are set out below:

**(1) For ascertaining the shareholders' rights to attend and vote at the Annual General Meeting (and any adjournment thereof):**

Latest time to lodge transfer documents for registration	4:30 p.m. of 15 May 2026
Closure of register of members	From 18 May 2026 to 26 May 2026
Record date	18 May 2026

**(2) For ascertaining the shareholders' entitlement to the 2025 Final Dividend:**

Latest time to lodge transfer documents for registration	4:30 p.m. of 4 June 2026
Closure of register of members	5 June 2026
Final Dividend Record date	5 June 2026

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the Annual General Meeting, and to qualify for the 2025 Final Dividend, all transfers, accompanied by the relevant certificates, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by no later than the aforementioned latest times.

## **WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2025 FINAL DIVIDEND**

Pursuant to (i) the "Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management" (the "Notice") issued by the State Taxation Administration of the People's Republic of China (the "STA"); (ii) the "Enterprise Income Tax Law of the People's Republic of China" (the "Enterprise Income Tax Law") and the "Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China" (the "Implementation Rules"); and (iii) information obtained from the STA, the Company is required to withhold and pay enterprise income tax when it pays the 2025 Final Dividend to its non-resident enterprise shareholders. The enterprise income tax is 10% on the amount of dividend paid to non-resident enterprise shareholders (the "Enterprise Income Tax"), and the withholding and payment obligation lies with the Company.

As a result of the foregoing, in respect of any shareholders whose names appear on the Company's register of members on the Final Dividend Record Date and who are not individuals (including HKSCC Nominees Limited, other custodians, corporate nominees and trustees such as securities companies and banks, and other entities or organisations), the Company will distribute the 2025 Final Dividend payable to them after deducting the amount of Enterprise Income Tax payable on such dividend. Investors who invest in the shares in the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited through the Shanghai Stock Exchange or Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect investors) are investors who hold shares through HKSCC Nominees Limited, and in accordance with the above requirements, the Company will pay to HKSCC Nominees Limited the amount of the 2025 Final Dividend after deducting the amount of Enterprise Income Tax payable on such dividend.

In respect of any shareholders whose names appear on the Company's register of members on the Final Dividend Record Date and who are individual shareholders, there will be no deduction of Enterprise Income Tax from the dividend that such shareholder is entitled to.

Shareholders who are not individual shareholders listed on the Company's register of members and who (i) are resident enterprises of the People's Republic of China (the "PRC") (as defined in the Enterprise Income Tax Law), or (ii) are enterprises deemed to be resident enterprises of the PRC in accordance with the Notice, and who, in each case, do not desire to have the Company withhold Enterprise Income Tax

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from their 2025 Final Dividend, should lodge with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, at or before 4:30 p.m. of 4 June 2026, and present the documents from such shareholder's governing tax authority within the territory of the PRC confirming that the Company is not required to withhold and pay Enterprise Income Tax in respect of the dividend that such shareholder is entitled to.

If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the Enterprise Income Tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government agencies and adhere strictly to the information set out in the Company's register of members on the Final Dividend Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims, arising from any delay in, or inaccurate determination of, the status of the shareholders, or any disputes over the mechanism of withholding and payment of Enterprise Income Tax.

### **MANAGEMENT CONTRACTS**

Other than employment contracts, no contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2025.

### **INDEPENDENT AUDITOR**

The Hong Kong financial reporting for the year ended 31 December 2025 has been audited by Deloitte Touche Tohmatsu, which will retire and, being eligible, offer itself for re-appointment at the 2026 annual general meeting. A resolution to re-appoint Deloitte Touche Tohmatsu and to authorise the Directors to fix its respective remuneration will be proposed at the 2026 annual general meeting.

By Order of the Board

**Dong Xin**

*Chairman and Chief Executive Officer*

Hong Kong, 19 March 2026

# Human Resources Development

China Unicom adheres to the principle of being employee-friendly, and has always strived to drive the mutual growth of employees and the Company, and continuously stimulates the vitality and development momentum of its workforce. In 2025, China Unicom further deepened the implementation of its strategy of strengthening the Company with talent, optimised the talent structure, focused on improving personnel efficiency, and established a healthy performance evaluation culture, thereby driving the formation of a favorable situation where the “three teams” of management talents, professional technical talents, and skilled talents. The teams perform their duties, fulfil their responsibilities, showcase their abilities, and achieve interconnected growth.

**Continuously strengthened comprehensive analysis and planning, and continued to select and enhance the management team.** The Company carried out in-depth analysis and planning for the building of management teams of subsidiaries. By fully leveraging the enthusiasm of management personnel of all age groups, the Company continuously increased efforts to cultivate and utilise outstanding young management talents, and consistently enhanced the construction of the management personnel echelon. The Company provided targeted training for outstanding management talents, and carried out cross-regional and cross-position exchange and training in an organised and planned manner, placed them on the frontline of operation and development for practical experience, and in major projects and important positions for further tempering. China Unicom continued to improve the supervision system for management personnel, combining daily and special supervision to enhance supervisory effectiveness. The Company continuously promoted the term system and contractual management for management personnel, strengthened the application of assessment and evaluation results, and deepened upward and downward mobility for management personnel. The Company continuously carried out the initiatives of “Incentivising Responsibility and Action, Boosting the Spirit of Entrepreneurship”, continuously guiding the establishment and practice of a correct outlook on performance.

**Continued to accelerate the establishment of a strategic talent team, with notable strengthening of the high-level scientific and technological talents and high-skilled talents.** The Company continuously optimised the talent structure that supports high-quality development, made solid progress in talent cultivation, and continuously enhancing the quality and efficiency of talents, both the scale and quality of the talents have advanced. The scale of scientific and technological talents continued to expand, and the Company established a team of a hundred high-level scientific and technological talents. It strengthened tailored “one talent, one plan” development support and liaison services, and implemented dedicated programmes to support young scientific and technological talents, thereby fully stimulating their initiative and creativity and effectively enabling them to unleash their potential. The structure of skilled talents has been continuously optimised, with a focus on strengthening the high-skilled talent teams, including establishing a team of superior technicians, and enhancing skilled talents’ overall quality, skill levels and innovation capabilities.

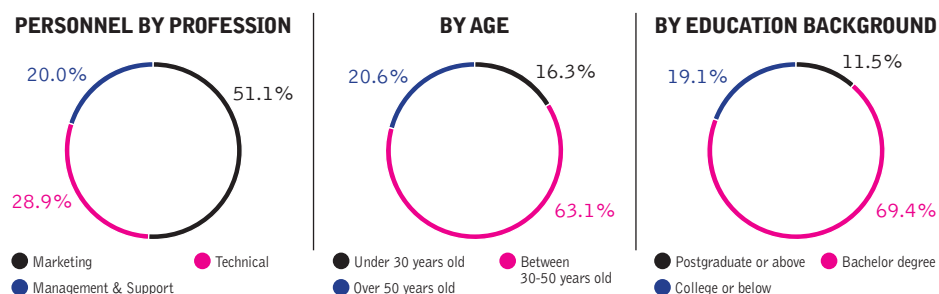
**Continued to build an education and training system, strengthening systematic training and development.** With a focus on the objectives of resource coordination, practical training emphasis and differentiated capability enhancement, the Company formulated and implemented annual key training plans for the “three teams” and continued to carry out targeted training programmes. The Company implemented the fundamental training system and continued to organise key programmes such as training programmes for management personnel, advanced study programmes for young and middle-aged

management personnel, and exemplary programmes for outstanding management talents. With a focus on enhancing professional capabilities, the Company optimised and iterated professional capability certification standards and coordinated empowerment training across various professional fields. With a focus on capability self-development, the Company improved the certification system centred on key businesses, enhanced supporting course and question banks, and continued to implement position competency certification.

**Continued to strengthen overall workforce size management and steadily improve labour efficiency.** The Company reinforced a performance-oriented approach, streamlined and efficiently allocated labour resources, and promoted a reasonable alignment between total workforce and operating performance. In line with the national stable employment policies, the Company actively fulfilled its corporate social responsibilities by providing job opportunities to university graduates, and it has recruited more than 20,000 university graduates over the past three years. The proportions of graduates with bachelor's, master's and doctoral degrees in science and engineering majors have reached record highs. The quality of talent recruitment has steadily improved, and the team of young scientific and technological talents has continued to expand. The Company strengthened overall workforce planning, broadened personnel exit channels, intensified market-oriented exit and adjustment efforts, further optimised the workforce structure and continued to improve labour efficiency.

**Continued to strengthen and improve remuneration distribution management, enhancing labour cost effectiveness and employees' perception of remuneration.** The Company optimised the labour cost allocation mechanism by linking wage growth to profit growth, raised the adjustment ratio of existing amounts, and closely linked the efficiency indicators to dynamic adjustments, improving the efficiency of resource allocation for labour costs. The Company reshaped the remuneration distribution system focusing on the "three teams", standardised remuneration management for management personnel, strengthened positive incentives for scientific and technological talents, allocated a specific total wage budget to support the development of strategic emerging and key fields as well as high-level talent teams, and fully utilised remuneration support policies for skilled talents, adhering to the principles of "higher performance and superior skills are rewarded with higher remuneration", continuously optimising the remuneration structure and reasonably determining remuneration levels across different groups. The Company carried out medium and long-term incentive programmes and advanced the share unlocks for Phase II of restricted share of China United Network Communications Limited ("the A-share Company") incentive scheme, thereby building a community of shared interests and risks.

## ANALYSIS OF STAFF COMPOSITION



For further details of Human Resources Development, please refer to the relevant sections of the Company's detailed Sustainability Report 2025. Please visit the Company's website at [www.chinaunicom.com.hk](http://www.chinaunicom.com.hk).

# Independent Auditor's Report

# Deloitte.

# 德勤

## TO THE MEMBERS OF CHINA UNICOM (HONG KONG) LIMITED

*(incorporated in Hong Kong with limited liability)*

### OPINION

We have audited the consolidated financial statements of China Unicom (Hong Kong) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 101 to 213, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**Key audit matters**
**How our audit addressed the key audit matters**


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**Revenue recognition**


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We identified revenue recognition as a key audit matter because there is an inherent industry risk around the accuracy of revenue recorded by the IT billing systems given the complexity of the systems and the significance of volumes of data processed by the systems.

In general, revenues are recognised separately for each service/product included in contracts as performance obligations are satisfied. The data records are captured and the revenue transactions are recorded by the IT systems.

Details of the accounting policies for revenue recognition and an analysis of revenues are disclosed in Notes 2.25 and 7, respectively, to the consolidated financial statements.

Our procedures in relation to revenue recognition comprising both control testing and substantive procedures on a sample basis, included involving our internal IT specialists to assist with:

- Testing the IT environment in which the billing systems reside, including interface controls between different IT applications.
- Testing the key controls over the calculation of the amounts billed to customers and the capturing and recording of the revenue transactions.
- Testing the key controls over the authorisation of the rate changes and the input of such rates to the billing systems.
- Testing the end-to-end reconciliations from data records to the billing systems and to the general ledger.
- Testing the accuracy of customer bill calculations and the respective revenue transactions recorded.
- Testing revenue transactions by comparing the amounts recognised in general ledger to supporting documents, including customer bills, contracts, project schedules and acceptance reports.

# Independent Auditor's Report

## Key audit matters

## How our audit addressed the key audit matters

### Impairment of goodwill and long-lived assets

We identified the impairment of goodwill and long-lived assets as a key audit matter because the impairment assessment of the cash-generating unit to which those assets belong requires the management to exercise significant judgments relating to the estimation of level of revenue, amount of operating costs and applicable discount rate.

Details of the accounting policies for impairment of goodwill and long-lived assets and the related accounting estimates are disclosed in Notes 2.8, 2.13 and 4.2, respectively, to the consolidated financial statements. Details of goodwill impairment assessment are disclosed in Note 18 to the consolidated financial statements.

Our procedures in relation to the impairment of goodwill and long-lived assets included:

- With the assistance of our internal valuation specialists, assessing the discount rate and assumptions used by the management in the value in use model and comparing the discount rate used by the management to externally derived data and our own assessments of key inputs used in deriving the discount rate.
- With the assistance of our internal valuation specialists, comparing the key inputs to the projected cash flows, such as the revenue growth rate and amount of operating costs, with corresponding historical data to evaluate the reasonableness of the management's projections.
- Assessing and challenging the significant judgments and estimates used in the management's impairment assessment and evaluating the sensitivity analysis performed by the management.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# Independent Auditor's Report

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ip Kan Wah (practising certificate number: P06525).

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

19 March 2026

# Consolidated Statement of Income

For the year ended 31 December 2025

(All amounts in Renminbi ("RMB") millions, except per share data)

	Notes	Year ended 31 December	
		2025	2024
Revenue	7	392,223	389,589
Interconnection charges		(11,035)	(11,224)
Depreciation and amortisation		(80,831)	(83,392)
Network, operation and support expenses	8	(65,226)	(64,320)
Employee benefit expenses	9	(66,551)	(64,931)
Costs of telecommunications products sold	10	(42,937)	(42,466)
Other operating expenses	11	(107,052)	(107,223)
Finance costs	12	(1,276)	(1,784)
Interest income		1,771	1,981
Share of net profit of associates		2,668	2,592
Share of net profit of joint ventures		1,487	1,481
Other income — net	13	2,212	4,951
<b>Profit before income tax</b>		<b>25,453</b>	25,254
Income tax expenses	14	(4,543)	(4,521)
<b>Profit for the year</b>		<b>20,910</b>	20,733
<b>Profit attributable to:</b>			
Equity shareholders of the Company		20,816	20,613
Non-controlling interests		94	120
<b>Profit for the year</b>		<b>20,910</b>	20,733
<b>Earnings per share for profit attributable to equity shareholders of the Company during the year:</b>			
Basic earnings per share (RMB)	15	0.68	0.67
Diluted earnings per share (RMB)	15	0.68	0.67

The notes on pages 110 to 213 are an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

(All amounts in RMB millions)

	Year ended 31 December	
	2025	2024
<b>Profit for the year</b>	<b>20,910</b>	20,733
<b>Other comprehensive (expense) income</b>		
<b>Items that will not be reclassified to statement of income:</b>		
Changes in fair value of financial assets measured at fair value through other comprehensive income ("FVOCI") (non-recycling)	(59)	165
Tax effect on changes in fair value of financial assets measured at FVOCI (non-recycling)	(2)	(7)
Changes in fair value of financial assets measured at FVOCI, net of tax (non-recycling)	(61)	158
Others	13	(33)
	(48)	125
<b>Items that may be reclassified subsequently to statement of income:</b>		
Changes in fair value of financial assets measured at FVOCI, net of tax (recycling)	(19)	14
Currency translation differences	(195)	124
	(214)	138
<b>Other comprehensive (expense) income for the year, net of tax</b>	<b>(262)</b>	263
<b>Total comprehensive income for the year</b>	<b>20,648</b>	20,996
<b>Total comprehensive income attributable to:</b>		
Equity shareholders of the Company	20,554	20,875
Non-controlling interests	94	121
<b>Total comprehensive income for the year</b>	<b>20,648</b>	20,996

The notes on pages 110 to 213 are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position

At 31 December 2025  
(All amounts in RMB millions)

	Notes	As at 31 December	
		2025	2024 (Re-presented)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	345,611	351,530
Right-of-use assets	17	38,665	47,522
Goodwill	18	2,771	2,771
Interest in associates	20	45,792	45,058
Interest in joint ventures	21	12,640	11,453
Deferred income tax assets	14	1,541	1,256
Contract assets	22	446	77
Contract costs	23	7,942	8,868
Financial assets measured at fair value	24	5,132	4,667
Long-term bank deposits		15,580	15,185
Other assets	26	24,539	24,050
		<b>500,659</b>	512,437
<b>Current assets</b>			
Inventories	27	2,431	2,463
Contract assets	22	650	283
Accounts receivable	28	65,994	58,874
Prepayments and other current assets	29	31,671	33,324
Financial assets measured at fair value	24	21,398	9,150
Short-term bank deposits and restricted deposits	25	21,706	26,226
Cash and cash equivalents	30	25,109	28,480
		<b>168,959</b>	158,800
<b>Total assets</b>		<b>669,618</b>	671,237

# Consolidated Statement of Financial Position

At 31 December 2025

(All amounts in RMB millions)

	Notes	As at 31 December	
		2025	2024 (Re-presented)
<b>EQUITY</b>			
<b>Equity attributable to equity shareholders of the Company</b>			
Share capital	31	254,056	254,056
Reserves	32	(8,297)	(10,378)
Retained profits			
— Proposed final dividend	33	4,066	4,779
— Others		118,457	112,588
		<b>368,282</b>	361,045
<b>Non-controlling interests</b>		<b>2,585</b>	2,525
<b>Total equity</b>		<b>370,867</b>	363,570
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans	34	3,928	2,128
Lease liabilities	35	16,135	24,222
Deferred income tax liabilities	14	2,745	1,306
Deferred revenue	36	8,025	8,229
Other obligations	37	928	1,110
		<b>31,761</b>	36,995

	Notes	As at 31 December	
		2025	2024 (Re-presented)
<b>Current liabilities</b>			
Short-term bank loans	38	966	711
Current portion of long-term loans	34	589	727
Lease liabilities	35	12,469	13,419
Accounts payable and accrued liabilities	39	187,088	188,162
Bills payable		13,579	15,484
Taxes payable		2,405	2,683
Current portion of other obligations	37	2,509	2,495
Contract liabilities	22	47,018	46,765
Advances from customers		367	226
		266,990	270,672
<b>Total liabilities</b>		298,751	307,667
<b>Total equity and liabilities</b>		669,618	671,237
<b>Net current liabilities</b>		(98,031)	(111,872)
<b>Total assets less current liabilities</b>		402,628	400,565

The notes on pages 110 to 213 are an integral part of these consolidated financial statements.

Approved and authorised for issue by the Board of Directors on 19 March 2026 and signed on behalf of the Board by:

**Dong Xin**

*Chairman and Chief Executive Officer*

**Li Yuzhuo**

*Executive Director and Chief Financial Officer*

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(All amounts in RMB millions)

	Notes	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
		Share capital	General risk reserve	Investment revaluation reserve	Statutory reserves	Other reserves	Retained profits			
Balance at 1 January 2024		254,056	987	(9,277)	35,933	(40,555)	110,330	351,474	2,424	353,898
Total comprehensive income for the year		—	—	150	—	112	20,613	20,875	121	20,996
Contribution from non-controlling interests		—	—	—	—	1	—	1	21	22
Share of associate's other reserves		—	—	—	—	13	—	13	—	13
Appropriation to statutory reserves		—	—	—	1,897	—	(1,897)	—	—	—
Dividends relating to 2023 final	33	—	—	—	—	—	(4,088)	(4,088)	—	(4,088)
Dividends relating to 2024 interim	33	—	—	—	—	—	(7,591)	(7,591)	—	(7,591)
Capital contribution relating to share-based payment borne by A Share Company	42	—	—	—	—	247	—	247	—	247
Others		—	—	—	—	114	—	114	(41)	73
Balance at 31 December 2024		254,056	987	(9,127)	37,830	(40,068)	117,367	361,045	2,525	363,570
Total comprehensive income for the year		—	—	(59)	—	(203)	20,816	20,554	94	20,648
Contribution from non-controlling interests		—	—	—	—	—	—	—	16	16
Share of associate's other reserves		—	—	—	—	19	—	19	—	19
Appropriation to statutory reserves		—	—	—	2,188	—	(2,188)	—	—	—
Dividends relating to 2024 final	33	—	—	—	—	—	(4,779)	(4,779)	—	(4,779)
Dividends relating to 2025 interim	33	—	—	—	—	—	(8,693)	(8,693)	—	(8,693)
Capital contribution relating to share-based payment borne by A Share Company	42	—	—	—	—	118	—	118	—	118
Others		—	—	—	—	18	—	18	(50)	(32)
Balance at 31 December 2025		254,056	987	(9,186)	40,018	(40,116)	122,523	368,282	2,585	370,867

The notes on pages 110 to 213 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(All amounts in RMB millions)

	Year ended 31 December	
	2025	2024
<b>Cash flows from operating activities</b>		
Cash generated from operations	94,295	94,435
Interest received	1,771	1,981
Interest paid	(1,208)	(1,797)
Income tax paid	(4,683)	(5,217)
Net cash inflow from operating activities	90,175	89,402
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, right-of-use assets and other assets	(67,641)	(75,740)
Proceeds from disposal of property, plant and equipment and other assets	1,751	1,976
Acquisition of financial assets measured at fair value through profit or loss ("FVPL")	(1,466)	(1,062)
Proceeds from disposal of financial assets measured at FVPL	980	1,316
Acquisition of debt securities measured at FVOCI (recycling)	(43,480)	(6,020)
Proceeds from disposal of debt securities measured at FVOCI (recycling)	31,513	22,330
Decrease in other financial assets measured at amortised cost	993	15
Dividends received from financial assets measured at FVOCI (non-recycling)	171	156
Acquisition of interest in associates	(61)	(65)
Acquisition of interest in joint ventures	—	(87)
Acquisition of a subsidiary	—	(4)
Proceeds from disposal of associates and subsidiary	531	—
Dividends received from associates	1,648	1,772
Dividends received from a joint venture	300	360
Placement of bank deposits and restricted deposits	(17,777)	(42,219)
Release of short-term bank deposits and restricted deposits	22,785	13,016
Lending by Unicom Group Finance Company Limited ("Finance Company") to a related party	(4,900)	(8,400)
Repayment of loans from a related party to Finance Company	5,000	8,000
Net cash outflow from investing activities	(69,653)	(84,656)

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(All amounts in RMB millions)

	Note	Year ended 31 December	
		2025	2024
<b>Cash flows from financing activities</b>			
Capital contributions from non-controlling interests		16	22
Proceeds from short-term bank loans		960	710
Proceeds from long-term loans		2,500	237
Loans from related parties		—	546
Repayment of short-term bank loans		(711)	(680)
Repayment of long-term loans		(897)	(440)
Capital element of lease rentals paid		(13,384)	(12,887)
Dividends paid to equity shareholders of the Company		(13,472)	(11,683)
Net deposits with Finance Company		1,999	999
Increase in statutory reserve deposits placed by Finance Company		(627)	(874)
Repayment of other obligations		(185)	(14)
Net cash outflow from financing activities		(23,801)	(24,064)
<b>Net decrease in cash and cash equivalents</b>		(3,279)	(19,318)
Cash and cash equivalents, beginning of year		28,480	47,733
Effect of changes in foreign exchange rate		(92)	65
<b>Total cash and cash equivalents, end of year</b>	30	<b>25,109</b>	28,480
<b>Analysis of the balances of cash and cash equivalents:</b>			
Cash balances		—	—
Bank balances		25,109	28,480
		<b>25,109</b>	28,480

The notes on pages 110 to 213 are an integral part of these consolidated financial statements.

The reconciliation of profit before income tax to cash generated from operations is as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024 (Re-presented)
Profit before income tax	<b>25,453</b>	25,254
Adjustments for:		
Depreciation and amortisation	<b>80,831</b>	83,392
Interest income	<b>(1,771)</b>	(1,981)
Finance costs	<b>1,202</b>	1,733
Gain on disposal of property, plant and equipment	<b>(2,694)</b>	(2,827)
Impairment losses under expected credit loss ("ECL") model and write-down of inventories	<b>5,536</b>	7,275
Dividends from financial assets measured at FVOCI (non-recycling)	<b>(171)</b>	(156)
Gains on disposal of financial assets measured at FVPL	<b>(60)</b>	(17)
Gains on disposal of financial assets measured at FVOCI (recycling)	<b>—</b>	(1)
Dividends from financial assets at FVPL	<b>(13)</b>	(10)
Investment income from debt securities measured at FVOCI (recycling)	<b>(201)</b>	(385)
Investment income from debt securities measured at amortised cost	<b>(23)</b>	(23)
Fair value gains on financial assets measured at FVPL	<b>(20)</b>	(49)
Share of net profit of associates	<b>(2,668)</b>	(2,592)
Share of net profit of joint ventures	<b>(1,487)</b>	(1,481)
Gain from disposal of associates and subsidiary	<b>(106)</b>	—
Expenses for restricted shares of A Share Company granted to the Group's employees	<b>118</b>	247
Changes in working capital:		
Increase in accounts receivable	<b>(14,922)</b>	(30,133)
(Increase)/decrease in contract assets	<b>(737)</b>	14
Increase in contract costs	<b>(5,270)</b>	(7,400)
Increase in inventories	<b>(254)</b>	(377)
Decrease/(increase) in restricted deposits	<b>139</b>	(70)
(Increase)/decrease in other assets	<b>(834)</b>	266
Decrease/(increase) in prepayments and other current assets	<b>2,467</b>	(1,294)
Increase in accounts payable and accrued liabilities	<b>7,791</b>	24,933
Increase in other taxes payable	<b>171</b>	435
Increase/(decrease) in advances from customers	<b>141</b>	(76)
Increase in contract liabilities	<b>254</b>	573
Increase/(decrease) in deferred revenue	<b>1,445</b>	(870)
(Decrease)/increase in other obligations	<b>(22)</b>	55
Cash generated from operations	<b>94,295</b>	94,435

The notes on pages 110 to 213 are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 1. ORGANISATION AND PRINCIPAL ACTIVITIES

China Unicom (Hong Kong) Limited (the "Company") was incorporated as a limited liability company in the Hong Kong Special Administrative Region ("Hong Kong"), the People's Republic of China (the "PRC") on 8 February 2000. The principal activity of the Company is investment holding. The Company principally holds controlling interests in China United Network Communications Corporation Limited ("CUCL") and China Unicom Global Limited ("CUGL"). The principal activities of the Company's subsidiaries are the provision of comprehensive telecommunications services. The Company and its subsidiaries are hereinafter referred to as the "Group". The address of the Company's registered office is 75th Floor, The Center, 99 Queen's Road Central, Hong Kong.

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited ("SEHK") on 22 June 2000.

The substantial shareholders of the Company are China Unicom (BVI) Limited ("Unicom BVI") and China Unicom Group Corporation (BVI) Limited ("Unicom Group BVI"). The majority of equity interests in Unicom BVI is owned by China United Network Communications Limited (hereinafter referred to as "A Share Company"), a joint stock company incorporated in the PRC on 31 December 2001, with its A shares listed on the Shanghai Stock Exchange on 9 October 2002.

The directors of the Company consider Unicom BVI and China United Network Communications Group Company Limited (a state-owned enterprise established in the PRC, hereinafter referred to as "Unicom Group") as the immediate holding company and ultimate holding company, respectively.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules") and the Hong Kong Companies Ordinance.

### 2.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.2 Basis of preparation (Continued)

The consolidated financial statements prepared by the PRC subsidiaries for PRC statutory reporting purposes are based on Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance (the "MOF") of the PRC, which became effective from 1 January 2007 with certain transitional provisions. The Group also prepared consolidated financial statements in accordance with Chinese Accounting Standards for Business Enterprises ("PRC financial statements"). There are certain differences between the Group's HKFRS Accounting Standard financial statements and PRC financial statements. The principal adjustments made to PRC financial statements to conform to HKFRS Accounting Standards include the following:

- reversal of the revaluation surplus or deficit and related amortisation charges arising from the revaluation of prepayments for the leasehold land performed by independent valuers for the purpose of reporting to relevant PRC government authorities, and adjustment for corresponding deferred taxation;
- recognition of goodwill associated with the acquisition of certain subsidiaries prior to 2005; and
- recognition of the dilution gain or loss of interest in equity method investees.

#### (a) Going Concern Assumption

As at 31 December 2025, current liabilities of the Group exceeded current assets by approximately RMB98.0 billion (2024: approximately RMB111.9 billion). Considering the current economic conditions and taking into account of the Group's expected capital expenditure in the foreseeable future, management has comprehensively considered the Group's available sources of funds as follows:

- The Group's continuous net cash inflows from operating activities;
- Approximately RMB204.9 billion of revolving banking facilities of which approximately RMB199.2 billion was unutilised as at 31 December 2025; and
- Other available sources of financing from domestic banks and other financial institutions in view of the Group's good credit history.

In addition, the Group believes that it has the ability to raise funds from short, medium and long-term perspectives and maintain reasonable financing costs through appropriate financing portfolio.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.2 Basis of preparation (Continued)

#### (a) Going Concern Assumption (Continued)

Based on the above considerations, the Board of Directors is of the opinion that the Group has sufficient funds to meet its working capital commitments, expected capital expenditure and debt obligations. As a result, the consolidated financial statements of the Group for the year ended 31 December 2025 have been prepared on a going concern basis.

#### (b) Critical Accounting Estimates and Judgment

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 4.

#### (c) Accounting Standards Amendments

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by HKICPA for the first time, which are mandatorily effective for the Group's financial year beginning on 1 January 2025 for the preparation of the consolidated financial statements:

- Amendments to HKAS 21, "Lack of Exchangeability"

The application of the above amendment has had no material effect on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.2 Basis of preparation (Continued)

#### (d) New standard and Amendments to HKFRS Accounting Standards in issue but not yet effective:

The HKICPA has issued a number of new and amendments to HKFRS Accounting Standards which are not yet effective for the year ended 31 December 2025 and which have not been early adopted in these consolidated financial statements.

	<b>Effective for accounting periods beginning on or after</b>
• Amendments to HKAS 21, "Translation to a Hyperinflationary Presentation Currency"	1 January 2027
• Amendments to HKFRS 9 and HKFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"	1 January 2026
• Amendments to HKFRS 9 and HKFRS 7, "Contracts Referencing Nature-dependent Electricity"	1 January 2026
• Amendments to HKFRS 10 and HKAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	to be determined
• Amendments to HKFRS Accounting Standards, "Annual Improvements to HKFRS Accounting Standards — Volume 11"	1 January 2026
• HKFRS 18, "Presentation and Disclosure in Financial Statements"	1 January 2027

The Group has not applied any new standard and amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period. The Group is assessing the impact of such new standard and amendments to standards, and will adopt the relevant new standard and amendments in the subsequent periods as required. Except for the new HKFRS Accounting Standard mentioned below, the Group anticipates that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.2 Basis of preparation (Continued)

#### (d) New standard and Amendments to HKFRS Accounting Standards in issue but not yet effective: (Continued) *HKFRS 18, "Presentation and Disclosure in Financial Statements"*

HKFRS 18, "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1, "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7, "Financial Instruments: Disclosures". Minor amendments to HKAS 7, "Statement of Cash Flows" and HKAS 33, "Earnings per Share" are also made.

HKFRS 18 and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 2.3 Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

The Group adopted the purchase method of accounting to account for business combination of entities and businesses under common control before 2005. Under the purchase method of accounting in force at the date of the acquisition, the cost of an acquisition was measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed were measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired was recorded as goodwill. If the cost of acquisition was less than the fair value of the Group's share of the identifiable net assets of the subsidiary acquired, the difference was recognised directly in the consolidated statement of income.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.3 Subsidiaries and non-controlling interests (Continued)

Under HKFRS Accounting Standards, business combination of entity and business under common control of the Group after 2005 was accounted for using merger accounting in accordance with the Accounting Guideline 5 "Merger accounting for common control combinations" ("AG 5").

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group elects to measure non-controlling interests at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of income and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Note 2.20 depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2.12) or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture (see Note 2.4).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.4 Associates, joint ventures and joint arrangement

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. The Group's share of the post-acquisition post-tax results of the investees and any impairment losses are recognised in the consolidated statement of income, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised as other comprehensive income in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture (after applying the ECL model to such other long-term interests where applicable).

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.4 Associates, joint ventures and joint arrangement (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

A joint operation is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with HKFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

To better share the risks and rewards associated with the construction, operation and maintenance of the 5G network infrastructure, the Group entered into a framework agreement with China Telecom Corporation Limited ("China Telecom") to build, maintain and share one nationwide 5G access network infrastructure (the "Cooperation Agreement"). In accordance with the Cooperation Agreement, each of the Group and China Telecom is responsible for the construction and maintenance of 5G network infrastructure in their respective designated regions, and bears the associated construction, maintenance and operating costs. Both parties have established a joint operation mechanism and key decisions including overall network planning, construction project commencement and completion acceptance and a unified standard on construction and maintenance services across all regions are subject to mutual agreement by both parties.

The Group has accounted for the arrangement as a joint operation that is not structured through a separate vehicle, and has recognised its share of assets, liabilities, revenues and expenses in accordance with the terms of the arrangement.

### 2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments regularly, has been identified as the executive directors of the Company that make strategic decisions.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement presenting profit or loss and other comprehensive income are translated at average exchange rates (unless the use of the average rate for a period is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and as a separate component of equity into other reserves.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is sold, such exchange differences attributable to the equity shareholders of the Company are reclassified to the statement of income as part of the gain or loss on disposal.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.7 Property, plant and equipment

#### (a) Construction-in-progress

Construction-in-progress ("CIP") mainly represents buildings, plant and equipment under construction and pending installation, and is stated at cost less accumulated impairment losses. Costs include construction and acquisition costs, and interest charges arising from borrowings used to finance the assets during the construction period. No provision for depreciation is made on CIP until such time as the assets are completed and ready for its intended use. When the asset being constructed becomes available for use, the CIP is transferred to the appropriate category of assets.

#### (b) Property, plant and equipment

Property, plant and equipment held by the Group are stated at cost less accumulated depreciation and accumulated impairment losses, and are depreciated over their expected useful lives.

Property, plant and equipment comprise buildings, telecommunications equipment, leasehold improvements, office furniture, fixtures, motor vehicles and other equipment. The cost of an asset, except for those acquired in exchange for a non-monetary asset or assets, comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including costs of testing whether the related assets is functioning properly.

If an item of property, plant and equipment is acquired in exchange for another item of non-monetary assets, the cost of such an item of property, plant and equipment is measured at fair value unless (i) the exchange transactions lacks commercial substance or (ii) the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable at the time the costs are incurred that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.7 Property, plant and equipment (Continued)

#### (c) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

	Depreciable life	Residual rate
Buildings	10–30 years	3%
Telecommunications equipment	5–10 years	0–3%
Office furniture, fixtures, motor vehicles and other equipment	5–10 years	3%

Leasehold improvements are depreciated over the shorter of their estimated useful lives and the lease terms.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each date of the statement of financial position.

#### (d) Gain or loss on disposal of property, plant or equipment

Gains or losses on disposal of property, plant or equipment are determined by comparing the net sales proceeds with the carrying amounts, and are recognised in the consolidated statement of income.

### 2.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries at the date of acquisition. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gain or loss on the disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to a cash-generating unit (or group of cash-generating units) for the purpose of impairment testing, which are expected to benefit from the synergies of business combination in which the goodwill arose and represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment. If the recoverable amount of a cash-generating unit (or group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the cash-generating unit (or group of cash-generating units).

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.9 Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2.15), property, plant and equipment (see Note 2.7) or intangible assets.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained, e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, generate or enhance resources that will be used to provide goods or services in the future and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses (see Note 2.13).

Amortisation of capitalised contract costs is charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

### 2.10 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2.25) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in Note 2.14 and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2.16).

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group provides subscriber points reward program, the transaction price of providing telecommunications services and the subscriber points reward is allocated based on their standalone selling price. The allocated portion of transaction price for the subscriber points reward is recorded as contract liability when the rewards are granted and recognised as revenue when the points are redeemed or expired.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.11 Other assets

Other assets mainly represent (i) computer software; (ii) long-term prepaid services charges for transmission lines and electricity cables.

- (i) Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight-line basis.
- (ii) Long-term prepaid services charges for transmission lines and electricity cables are amortised using a straight-line method over service period.

### 2.12 Financial assets and financial liabilities

The Group classifies its financial assets into two measurement categories: those measured at amortised cost and those measured at fair value. The determination is made at initial recognition and the classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

#### Financial assets measured at amortised cost

Financial assets are classified under this category if they satisfy both of the following conditions:

- The assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows on the financial assets, but not for the purpose of realising fair value gains; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, with interest being the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Cash and cash equivalents, long-term bank deposits, short-term bank deposits and restricted deposits, accounts receivable, certain financial assets included in prepayments and other current assets and certain other assets are classified under this category.

Financial assets under this category are carried at amortised cost using effective interest method less provision for impairment. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. Interest income is recognised in the consolidated statement of income using the effective interest method and disclosed as interest income.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Gains and losses arising from derecognition of financial assets, being the differences between the net sales proceeds and the carrying values, are recognised in the consolidated statement of income.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.12 Financial assets and financial liabilities (Continued)

#### Financial assets measured at fair value

Investments and other financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost. Financial assets under this category are debt and equity investments carried at fair value.

Debt investments are classified as FVOCI (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such irrevocable elections are made on an instrument-by-instrument basis at the time of initial recognition, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the investment revaluation reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the investment revaluation reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Fair value gains or losses of financial assets measured at FVPL and dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in Note 2.27.

#### Financial liabilities

The Group's financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset as a net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.13 Impairment of non-financial assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets that are not yet available for use are not subject to amortisation and are tested for impairment at each date of the statement of financial position and whenever there is an indication that they may be impaired. For the purpose of assessing impairment, assets are estimated individually, or when it is not possible, grouped at the smallest levels for which there are largely independent identifiable cash inflows of those from other assets or groups of assets (the "cash-generating unit"). Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15 "Revenue from contracts with customers" ("HKFRS 15"), the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit. An impairment loss is recognised for the amount by which the asset's (or the cash-generating unit's) carrying amount exceeds its recoverable amount. The recoverable amount is the higher of (i) fair value less costs of disposal and (ii) value in use.

### 2.14 Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, long-term bank deposits, short-term bank deposits and restricted deposits, accounts receivable, certain financial assets included in prepayments and other current assets and certain other assets);
- contract assets as defined in HKFRS 15 (see Note 2.10); and
- debt securities measured at FVOCI (recycling).

Financial assets measured at fair values, including financial assets measured at FVPL and financial assets measured at FVOCI (non-recycling), are not subject to the ECL assessment.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.14 Credit losses from financial instruments and contract assets (Continued)

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- twelve-month ECLs: these are losses that are expected to result from possible default events within the twelve months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivable and contract assets are always measured at an amount equal to lifetime ECLs. Except for those with significant balances and credit-impaired which are assessed individually, ECLs on accounts receivable and contract assets assessed on collective basis are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to twelve months ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.14 Credit losses from financial instruments and contract assets (Continued)

#### Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. Except for debt securities measured at FVOCI (recycling), the Group recognises an impairment gain or loss for all other financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, while corresponding adjustment of debt securities measured at FVOCI (recycling) is made to other comprehensive income without reducing its carrying amount.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.14 Credit losses from financial instruments and contract assets (Continued)

#### Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties of the issuer.

#### Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in the consolidated statement of income.

### 2.15 Inventories

Inventories, which primarily comprise handsets and accessories, are stated at the lower of cost and net realisable value. Cost is based on the first-in-first-out method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value for all the inventories is determined on the basis of anticipated sales proceeds less estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and other costs necessary to sell inventories.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.16 Accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 2.10).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 2.14).

### 2.17 Short-term bank deposits and restricted deposits

Short-term bank deposits are cash invested in fixed-term deposits with original maturities ranging from more than three months to one year.

Restricted deposits mainly included statutory reserve deposits with the People's Bank of China (the "PBOC") placed by Finance Company and customers deposit placed by Unicompany Company Limited for e-payment services.

### 2.18 Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprise of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### 2.19 Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred revenue which consequently are effectively recognised in profit or loss over the useful life of the asset.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.20 Borrowings

Borrowings are bank loans recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of income over the period of the instruments using the effective interest method.

### 2.21 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's ordinary shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of tax) is deducted from equity attributable to equity shareholders of the Company and no gain or loss shall be recognised in the consolidated statement of income.

### 2.22 Employee benefits

#### (a) Retirement benefits

The Group participates in defined contribution pension schemes. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group is required to make contributions to the pension insurance plans at certain percentage of the employees' payroll. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a reduction in the future payments is available. For the years ended 31 December 2025 and 2024, no forfeited contributions may be used by the Group to reduce the existing level of contributions.

#### (b) Medical insurance

The Group's contributions to basic and supplementary medical insurances are expensed as incurred. The Group has no further payment obligations once the contributions have been paid.

#### (c) Housing benefits

One-off cash housing subsidies paid to PRC employees are charged to the consolidated statement of income in the year in which it is determined that the payment of such subsidies is probable and the amounts can be reasonably estimated.

The Group's contributions to the housing fund, special monetary housing benefits and other housing benefits are expensed as incurred. The Group has no further payment obligations once the contributions have been paid.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.22 Employee benefits (Continued)

#### (d) Supplementary benefits

In addition to participating in local governmental defined contribution social insurance, individual subsidiaries of the Group also provide other post retirement supplementary benefits to their employees, including supplementary pension allowance, reimbursement of medical expenses and supplementary medical insurance. These post retirement supplementary benefits are accounted as defined benefit plan. For defined benefit plan, the Group's obligation for this benefit plan is determined using the projected unit credit method and recognised as liability, with actuarial valuation carried out at the end of each annual reporting period.

The actuarial valuation was carried out by Willis Towers Watson (Member of China Association of Actuaries), a qualified independent actuary. Actuarial assumptions mainly include discount rate and future mortality etc. This defined benefit plan does not have any plan assets. The present value of the defined benefit obligation is included in non-current other obligations and salary and welfare payables (current portion). As at 31 December 2025, the amount of the liability was RMB133 million (2024: RMB140 million). The remeasurement of liability is recognised in other comprehensive income, which is not allowed to reverse to profit or loss in subsequent period. Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs.

#### (e) Share-based compensation costs

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted at the grant date excluding the impact of any non-market vesting conditions (for example, revenue and profit targets) and is not subsequently remeasured. However, non-market vesting conditions are considered in determining the number of options that are expected to vest. At each date of the statement of financial position, the Group revises its estimates of the number of share options that are expected to vest. The Group recognises the impact of the revision of original estimates, if any, in the consolidated statement of income of the period in which the revision occurs, with a corresponding adjustment to equity.

The equity amount is recognised in other reserves until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.22 Employee benefits (Continued)

#### (f) Restricted A-Share Incentive Scheme

Restricted shares granted by A Share Company to the employees of the Group is treated as a capital contribution. The fair value of the core employee services received in exchange for the grant of the restricted shares is recognised as an expense over the vesting period, with a corresponding credit to equity. The total amount to be expensed is determined by reference to the fair value of the granted shares measured as of the grant date less the subscription price.

At the end of each reporting period, the Group revises its estimates of the number of restricted shares that are expected to be vested. The impact of the revision of the original estimates, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

### 2.23 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if settlement is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.24 Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small (if the other recognition criteria are met).

Provisions are measured at the present value of the pre-tax amount of expenditures expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.25 Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of services and the sale of goods in the ordinary course of the Group's business.

Revenue is recognised when a performance obligation is satisfied (i.e. when control over a product or service is transferred to the customer) at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same. For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than twelve months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is twelve months or less.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.25 Revenue recognition (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Further details of the Group's revenue recognition policies are as follows:

- Voice usage and monthly fees are recognised when the services are rendered;
- Revenues from the provision of broadband and mobile data services are recognised when the services are provided to customers;
- Data and internet application service revenues, which mainly represent revenue from the provision of data storage and application, information communications technology and other internet related services, are recognised during the period of fulfillment of services obligation;
- Other value-added services revenues, which mainly represents revenue from the provision of services such as short message, cool ringtone, personalised ring, caller number display and secretarial services to subscribers etc., are recognised when services are rendered;
- Interconnection fees, which represent revenue from other domestic and foreign telecommunications operators for the use of the Group's telecommunications network, are recognised when services are rendered;
- Revenue from transmission lines usage and associated services, which mainly represent income from offering transmission lines and customer-end equipment to customers for usage and related services, are recognised upon fulfillment of services obligation over the respective usage and service period;

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.25 Revenue recognition (Continued)

- Standalone sales of telecommunications products, which mainly represent handsets and accessories, and telecommunications equipment, are recognised when control has been transferred to the buyers;
- The Group offers preferential packages to customers which include bundle sale of mobile handsets and provision of services. The total contract consideration of such preferential packages is allocated to service revenue and sales of handsets based on their standalone selling prices. Revenue relating to the sale of handset is recognised when the title is passed to the customer whereas service revenue is recognised based upon the actual usage of telecommunications services.

In general, revenue from rendering of telecommunication services are recognised over-time during the period of fulfillment of services obligation using output method, whereas revenue from sales of handsets and other telecommunications equipment are treated as separate performance obligations, are recognised at a point in time.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

### 2.26 Interest income

Interest income from deposits in banks or other financial institutions is recognised on a time proportion basis, using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost of the asset.

### 2.27 Dividend income

Dividend income is recognised when the right to receive payment is established.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.28 Lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### (a) As a lessee

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases of primarily computers and office furniture that have a lease term of 12 months or less and do not contain a purchase option and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is adjusted by interest accretion and lease payments. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2.13). Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# Notes to the Consolidated Financial Statements

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(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.28 Lease (Continued)

#### (a) As a lessee (Continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period. The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

#### (b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2.28(a), then the Group classifies the sub-lease as an operating lease.

### 2.29 Borrowing costs

Borrowing costs are expensed as incurred, except for interest directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, in which case they are capitalised as part of the cost of that asset. Capitalisation of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and the activities to prepare the asset for its intended use are in progress. Borrowing costs are capitalised up to the date when substantially all the activities necessary to prepare the project is completed and ready for its intended use.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.29 Borrowing costs (Continued)

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined at the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing cost incurred during that period. Other borrowing costs are recognised as expenses when incurred.

### 2.30 Taxation

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the date of the statement of financial position in the jurisdictions where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amount expected to be paid to the tax authorities.

#### (b) Deferred income tax

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

# Notes to the Consolidated Financial Statements

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(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.30 Taxation (Continued)

#### (b) Deferred income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and at the time of the transaction does not give rise to equal taxable and deductible temporary differences, and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities. For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred income tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred income tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.31 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.32 Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

For the year ended 31 December 2025, research and development expenditure recognised as expense in the consolidated statement of income was RMB8,984 million (2024: RMB8,835 million).

### 2.33 Earnings per Share

Basic earnings per share is computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, after adjusting for the effects of the dilutive potential ordinary shares.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.34 Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 2.35 Contingent assets/liabilities

#### Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements in the reporting period in which the change occurs.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.35 Contingent assets/liabilities (Continued)

#### Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

## 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

### 3.1 Financial risk factors

The Group's operating activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the Group's headquarters, following the overall direction determined by the executive directors of the Company. The Group's headquarters identifies and evaluates financial risks in close co-operation with the Group's operating units.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group's major operational activities are carried out in Chinese Mainland and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars ("US dollars"), Hong Kong dollars ("HK dollars" or "HKD") and European dollars ("Euro"). Exchange risk mainly exists with respect to the financial assets and financial liabilities denominated in foreign currencies including balances with international carriers, cash and cash equivalents.

The Group's headquarters is responsible for monitoring the amount of monetary assets and liabilities denominated in foreign currencies. From time to time, the Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. During the years ended 31 December 2025 and 2024, the Group had not entered into any forward exchange contracts or currency swap contracts.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate and have been translated to RMB at the applicable rates quoted by the PBOC as at 31 December 2025 and 2024.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

### 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (i) Foreign exchange risk (Continued)

	2025			2024		
	Original currency millions	Exchange rate	RMB equivalent millions	Original currency millions	Exchange rate	RMB equivalent millions
<b>Cash and cash equivalents:</b>						
— denominated in HK dollars	50	0.90	45	57	0.93	53
— denominated in US dollars	678	7.03	4,764	760	7.19	5,463
— denominated in Euro	43	8.24	356	34	7.53	255
— denominated in Japanese Yen ("JPY")	22	0.04	1	22	0.05	1
— denominated in Great Britain Pound ("GBP")	—	9.43	3	—	9.08	—
— denominated in Singapore dollars ("SGD")	6	5.46	32	7	5.32	39
— denominated in Australian dollars ("AUD")	—	4.69	—	—	4.51	2
Sub-total			5,201			5,813
<b>Accounts receivable:</b>						
— denominated in US dollars	28	7.03	197	54	7.19	388
— denominated in Euro	2	8.24	16	2	7.53	15
— denominated in JPY	1,227	0.04	55	1,009	0.05	47
— denominated in GBP	19	9.43	179	1	9.08	9
— denominated in SGD	100	5.46	546	64	5.32	341
Sub-total			993			800
<b>Financial assets measured at FVOCI:</b>						
— denominated in Euro	224	8.24	1,847	253	7.53	1,902
<b>Capital bonds measured at amortised cost:</b>						
— denominated in US dollars	61	7.03	431	61	7.19	442
Total			8,472			8,957
<b>Borrowings:</b>						
— denominated in US dollars	17	7.03	119	19	7.19	139
Sub-total			119			139
<b>Accounts payable:</b>						
— denominated in HK dollars	3,105	0.90	2,804	1,487	0.93	1,377
— denominated in US dollars	179	7.03	1,258	144	7.19	1,035
— denominated in Euro	9	8.24	74	8	7.53	60
— denominated in AUD	4	4.69	19	1	4.51	5
Sub-total			4,155			2,477
Total			4,274			2,616

### 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (i) Foreign exchange risk (Continued)

The Group did not have and does not believe it will have any difficulties in exchanging its foreign currency cash into RMB at the exchange rates quoted by the PBOC.

As at 31 December 2025, if RMB had strengthened/weakened by 10% against foreign currencies, primarily with respect to US dollars, HK dollars, Euro, JPY, GBP, SGD and AUD, while all other variables are held constant, the profit after tax would increase/decrease approximately RMB176 million (2024: approximately RMB333 million) for monetary assets and liabilities denominated in foreign currencies, and other comprehensive income would increase/decrease approximately RMB185 million (2024: approximately RMB190 million) for financial assets measured at FVOCI (non-recycling) denominated in foreign currency.

##### (ii) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified in the consolidated statement of financial position as financial assets measured at FVOCI (non-recycling) or FVPL.

The financial assets measured at FVOCI (non-recycling) comprise primarily equity securities of Telefónica S.A. ("Telefónica"). As at 31 December 2025, if the share price of Telefónica had increased/decreased by 10%, while the exchange rate of RMB against Euro is held constant, other comprehensive income would increase/decrease approximately RMB185 million (2024: approximately RMB190 million). The listed investments measured at FVPL comprise primarily equity securities of certain PRC listed companies. As at 31 December 2025, if the price of the respective listed equity securities had increased/decreased by 10%, profit after tax would increase/decrease approximately RMB17 million (2024: approximately RMB15 million).

##### (iii) Cash flow and fair value interest rate risk

The Group's interest-bearing assets are mainly represented by bank deposits, debt securities measured at FVOCI (recycling), financial assets held under resale agreements, lending by Finance Company to third parties and investments in capital bonds. Management does not expect the changes in market deposit interest rates will have significant impact on the financial statements as the long-term deposits are all bearing fixed interest rate and other deposits are all short-term in nature and the interest involved will not be significant.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 3.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (iii) Cash flow and fair value interest rate risk (Continued)

The Group's interest rate risk mainly arises from interest-bearing borrowings including bank loans, related party loans and lease liabilities. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk upon renewal. The Group determines the amount of its fixed rate or floating rate borrowings depending on the prevailing market conditions. During the years ended 31 December 2025 and 2024, the Group's borrowings were mainly at fixed rates and were mainly denominated in RMB.

Increases in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. Management continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. From time to time, the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risks in connection with the floating rate borrowings, although the Group did not consider it was necessary to do so in the years ended 31 December 2025 and 2024.

As at 31 December 2025, the Group had approximately RMB15,007 million (2024: approximately RMB11,052 million) of long-term and short-term borrowings in floating rates and approximately RMB29,835 million (2024: approximately RMB38,905 million) of long-term borrowings and lease liabilities in fixed rates.

For the year ended 31 December 2025, if interest rates on the floating rate borrowings had increased/decreased 50 basic points while all other variables are held constant, profit after tax would decrease/increase approximately RMB56 million (2024: approximately RMB41 million).

#### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and short-term and long-term bank deposits, as well as credit exposures to major corporate customers, individual subscribers and general corporate customers, related parties and other telecommunications operators.

### **3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)**

#### **3.1 Financial risk factors (Continued)**

##### **(b) Credit risk (Continued)**

To limit exposure to credit risk relating to cash and cash equivalents and short-term, long-term bank deposits, the Group primarily places cash and cash equivalents and bank deposits only with large state-owned financial institutions in the PRC and other banks with acceptable credit ratings. Therefore, the Group expects that there is no significant credit risk and does not expect that there will be any significant losses from non-performance by these counterparties.

In addition, the Group has no significant concentrations of credit risk with respect to individual subscribers and corporate customers. The Group has policies to limit the credit exposure on receivables for services and sales of mobile handsets. The Group assesses the credit quality of all its customers and sets credit limits on them by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The normal credit period granted by the Group to individual subscribers and general corporate customers is 30 days from the date of billing unless they meet certain specified credit assessment criteria. For major corporate customers, the credit period granted by the Group is based on the service contract terms, normally not exceeding 1 year. The utilisation of credit limits and settlement pattern of customers are regularly monitored by the Group. In respect of other receivables, individual credit evaluations are performed on all counterparties requiring credit over a certain amount. These evaluations focus on the counterparties' past history of making payments when due and current ability to pay, and take into account information specific to the counterparties as well as the economic environment in which the counterparties operates.

Credit risk in relation to receivables from related parties and other telecommunications operators is not considered to be significant as these companies are reputable and their receivables are settled on a regular basis.

# Notes to the Consolidated Financial Statements

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## 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funds through different sources of financing. Due to the dynamic nature of the underlying business, the Group's headquarters maintains flexibility in funding through having adequate amount of cash and cash equivalents and utilising different sources of financing when necessary.

The following tables show the undiscounted cash flows of the financial liabilities and lease liabilities (including interest expense) categorised by time from the end of the period under review to the contractual maturity date. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Carrying amounts
<b>At 31 December 2025</b>					
Long-term loans	676	849	2,292	994	4,517
Lease liabilities	12,668	10,994	5,364	1,517	28,604
Other obligations	2,509	746	64	118	3,437
Short-term bank loans	971	—	—	—	966
Accounts payable and accrued liabilities	187,088	—	—	—	187,088
Bills payable	13,579	—	—	—	13,579
	<b>217,491</b>	<b>12,589</b>	<b>7,720</b>	<b>2,629</b>	<b>238,191</b>

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Carrying amounts
<b>At 31 December 2024 (re-presented)</b>					
Long-term loans	769	614	1,313	283	2,855
Lease liabilities	13,747	11,494	13,431	1,784	37,641
Other obligations	2,498	908	76	126	3,605
Short-term bank loans	716	—	—	—	711
Accounts payable and accrued liabilities	188,162	—	—	—	188,162
Bills payable	15,484	—	—	—	15,484
	<b>221,376</b>	<b>13,016</b>	<b>14,820</b>	<b>2,193</b>	<b>248,458</b>

Regarding the Group's use of the going concern basis for the preparation of its financial statements, please refer to Note 2.2(a) for details.

### 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### 3.2 Capital risk management

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.
- To support the Group's stability and growth.
- To provide capital for the purpose of strengthening the Group's risk management capability.

In order to maintain or adjust the capital structure, the Group reviews and manages its capital structure actively and regularly to ensure optimal capital structure and shareholder returns, taking into account the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group monitors capital on the basis of the debt-to-capitalisation ratio. This ratio is calculated as interest-bearing debts over interest-bearing debts plus total equity. Interest-bearing debts represent short-term bank loans, long-term loans, lease liabilities as shown in the consolidated statement of financial position. The interest-bearing debts do not include balance of deposits received by Finance Company and its related interest payable, amounting to RMB10,755 million, as at 31 December 2025 (2024: 8,750 million).

The Group's debt-to-capitalisation ratios are as follows:

	<b>31 December 2025</b>	31 December 2024 (Re-presented)
Interest-bearing debts:		
— Short-term bank loans	<b>966</b>	711
— Long-term loans	<b>3,928</b>	2,128
— Lease liabilities (non-current portion)	<b>16,135</b>	24,222
— Current portion of long-term loans	<b>589</b>	727
— Lease liabilities (current portion)	<b>12,469</b>	13,419
	<b>34,087</b>	41,207
Total equity	<b>370,867</b>	363,570
Interest-bearing debts plus total equity	<b>404,954</b>	404,777
Debt-to-capitalisation ratio	<b>8.4%</b>	10.2%

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## 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 3.3 Fair value estimation

Financial assets of the Group mainly include cash and cash equivalents, long-term bank deposits, short-term bank deposits and restricted deposits, accounts receivable, the financial assets included in prepayments and other current assets, financial assets measured at fair value and certain other assets. Financial liabilities of the Group mainly include the financial liabilities included in accounts payable and accrued liabilities, bills payable, short-term bank loans, long-term loans and other obligations.

#### (a) Financial assets measured at fair value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 valuation: unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuation: observable inputs which fail to meet Level 1, and not using significant unobservable inputs for which market data are not available.
- Level 3 valuation: fair value measured using significant unobservable inputs.

The following table presents the Group's assets that are measured at fair value as at 31 December 2025:

	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurement:</b>				
Equity securities measured at FVOCI (non-recycling)	2,031	—	121	2,152
Financial assets measured at FVPL	2,702	—	1,606	4,308
Debt securities measured at FVOCI (recycling)	20,070	—	—	20,070
<b>Total</b>	<b>24,803</b>	<b>—</b>	<b>1,727</b>	<b>26,530</b>

The following table presents the Group's assets that are measured at fair value as at 31 December 2024:

	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurement:</b>				
Equity securities measured at FVOCI (non-recycling)	2,099	—	111	2,210
Financial assets measured at FVPL	2,415	—	1,261	3,676
Debt securities measured at FVOCI (recycling)	7,931	—	—	7,931
<b>Total</b>	<b>12,445</b>	<b>—</b>	<b>1,372</b>	<b>13,817</b>

### 3. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### 3.3 Fair value estimation (Continued)

##### (a) Financial assets measured at fair value (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1 and comprise primarily equity securities of Telefónica, debt securities issued by banks which are classified as financial assets measured at FVOCI and certain equity investments, investments in monetary funds that are classified as financial assets measured at FVPL.

During the years ended 31 December 2025 and 2024, there were no significant transfer between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

##### (b) Fair value of financial instruments carried at other than fair value

As at 31 December 2025 and 2024, the carrying amounts, fair values and the level of fair values of the Group's long-term financial assets and liabilities carried at amortised cost are disclosed below:

	Carrying amounts		Fair value measurements as at 31 December 2025 categorised into			Carrying amounts	
	as at 31 December 2025	Fair value as at 31 December 2025	Level 1	Level 2	Level 3	as at 31 December 2024	Fair value as at 31 December 2024
						(Re-presented)	(Re-presented)
Long-term bank deposits	15,580	15,862	—	15,862	—	15,185	15,427
Capital bonds	431	486	—	486	—	442	471
Non-current portion of long-term loans	3,928	3,845	—	3,845	—	2,128	2,117

The fair values of the non-current portion of long-term loans is based on the expected cash flows of principal and interests payment discounted at market rates ranging from 0.57%~3.50% (2024: 0.57% to 3.60%) per annum. The fair values of long-term bank deposits and capital bonds are based on the expected cash flows of principal and interests discounted at market rate of 1.90% (2024: 1.90%) per annum and 3.73% (2024: 4.38%) per annum, respectively.

Besides, the carrying amounts of the Group's other financial assets and liabilities carried at amortised cost approximated their fair values as at 31 December 2025 and 2024 due to the nature or short maturity of those instruments.

# Notes to the Consolidated Financial Statements

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## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may not be equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### 4.1 Depreciation on property, plant and equipment

Depreciation on the Group's property, plant and equipment is calculated using the straight-line method to allocate cost up to residual values over the estimated useful lives of the assets. The Group reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. The Group estimates the useful lives and residual values of property, plant and equipment based on historical experience, taking into account anticipated technological changes. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

### 4.2 Impairment of goodwill and long-lived assets

The Group tests whether long-lived assets, including property, plant and equipment and right-of-use assets, have suffered from any impairment, in accordance with the accounting policy stated in Note 2.13. For goodwill, the impairment testing is performed annually at the end of each reporting period, in accordance with the accounting policy stated in Note 2.8. The recoverable amount of the cash-generating unit at the lowest level to which those assets belong has been determined based on a value in use calculation. Management estimates value in use based on estimated discounted pre-tax future cash flows of the cash generating unit. If there is any significant change in management's assumptions, including discount rate, the revenue growth rate or amount of operating costs in the future cash flow projection, the estimated recoverable amount of the cash-generating unit and the Group's future operating results would be significantly affected. Such impairment losses are recognised in the consolidated statement of income. Accordingly, there will be an impact to the future operating results if there is a significant change in the recoverable amount of the cash-generating unit. Management uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

### 4.2 Impairment of goodwill and long-lived assets (Continued)

No significant impairment loss on goodwill or long-lived assets was recognised for the years ended 31 December 2025 and 2024.

### 4.3 Allowance for ECLs

For collective assessment, management estimates ECL allowance on accounts receivable and contract assets using a provision matrix based on the Group's historical credit loss experience, and adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. The Group monitored and reviewed the assumptions relating to ECL regularly. For the Group's detailed assessment of credit risk, please refer to Note 3.1(b).

## 5. RE-PRESENTATION OF CERTAIN ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025, to better align the presentation of financial information with the A Share Company, the Group has re-presented certain line items in its consolidated statement of financial position. Comparative figures in the consolidated statement of financial position have also been re-presented to conform to the presentation for the year. Such re-presentation did not have any impact on the Group's total amount of non-current/current assets, non-current/current liabilities, total equity as at 31 December 2024, and the profit or loss, total comprehensive income and cash flows for the year ended 31 December 2024.

The following table highlights the impact from the aforesaid changes on certain line items in the Group's consolidated statement of financial position as at 31 December 2024.

## Notes to the Consolidated Financial Statements

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**5. RE-PRESENTATION OF CERTAIN ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)****Consolidated Statement of Financial Position**

	Note	31 December 2024 (As previously reported)	Re-presentation	31 December 2024 (As re- presented)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Amounts due from related parties	(i)	3	(3)	—
Other assets	(i)	24,047	3	24,050
		24,050	—	24,050
<b>Current assets</b>				
Contract assets	(i)	275	8	283
Accounts receivable	(i)	53,730	5,144	58,874
Prepayments and other current assets	(i)	27,590	5,734	33,324
Amounts due from ultimate holding company	(i)	5,113	(5,113)	—
Amounts due from related parties	(i)	1,387	(1,387)	—
Amounts due from domestic carriers	(i)	4,386	(4,386)	—
		92,481	—	92,481
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term loans	(ii)	1,170	958	2,128
Amounts due to ultimate holding company	(ii)	958	(958)	—
		2,128	—	2,128
<b>Current liabilities</b>				
Current portion of long-term loans	(ii)	243	484	727
Accounts payable and accrued liabilities	(ii)	163,367	24,795	188,162
Bills payable	(ii)	5,296	10,188	15,484
Amounts due to ultimate holding company	(ii)	2,026	(2,026)	—
Amounts due to related parties	(ii)	29,311	(29,311)	—
Amounts due to domestic carriers	(ii)	4,159	(4,159)	—
Contract liabilities	(ii)	46,739	26	46,765
Advances from customers	(ii)	223	3	226
		251,364	—	251,364

## 5. RE-PRESENTATION OF CERTAIN ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

### Consolidated Statement of Financial Position (Continued)

- (i) Balances previously included in "amount due from ultimate holding company/related parties/domestic carriers" have been disaggregated into "other assets"/"contract assets"/"accounts receivable"/"prepayments and other current assets" by nature, see Note 26, 22, 28 and 29.
- (ii) Balances previously included in "amounts due to ultimate holding company/related parties/domestic carriers" have been disaggregated into "long-term loans"/"accounts payable and accrued liabilities"/"bills payable"/"contract liabilities"/"advances from customers" by nature, see Note 34, 39 and 22.

## 6. SEGMENT INFORMATION

The executive directors of the Company have been identified as the CODM. Operating segments are identified on the basis of internal reports that the CODM reviews regularly in allocating resources to segments and in assessing their performances.

The CODM makes resources allocation decisions based on internal management functions and assesses the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

The Group primarily operates in Chinese Mainland and accordingly, no geographic information is presented. No revenue from a single customer accounted for 10 percent or more of the Group's revenue in all periods presented.

## 7. REVENUE

Revenue from telecommunications services are subject to value-added tax ("VAT") at VAT rates applicable to various telecommunications services. The VAT rates for basic telecommunications services and value-added telecommunications services are 9% and 6%, respectively, while VAT rate for sales of telecommunications products is 13%. Basic telecommunications services include business activities for the provision of voice services, and transmission lines usage and associated services etc. Value-added telecommunications services include business activities for the provision of short message service and multimedia message service, broadband and mobile data services, and data and internet application services etc. VAT is excluded from the revenue.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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## 7. REVENUE (Continued)

Disaggregation of revenue by major services and products:

	2025	2024
Voice usage and monthly fees	19,557	20,400
Broadband and mobile data services	153,221	154,189
Data and internet application services	103,559	99,358
Other value-added services	30,627	30,189
Interconnection fees	12,300	12,602
Transmission lines usage and associated services	24,191	24,260
Other services	4,283	4,977
Total service revenue	347,738	345,975
Sales of telecommunications products	44,485	43,614
Total	392,223	389,589
Include: Revenue from contracts with customers within the scope of HKFRS 15	390,902	388,337
Revenue from other sources	1,321	1,252

The Group's revenue is primarily generated from the provision of voice usage, broadband and mobile data services, data and internet application services, other value-added services, interconnection services, transmission lines usage and associated services and sale of telecommunication products. The Group bills the majority of its customers based on a fixed rate and service volume each month, and then has a right to consideration from the customers. Transaction prices that were allocated to unsatisfied performance obligations as of the end of the reporting period are expected to be recognised within one to five years when services are rendered. The Group has applied the practical expedient in paragraph 121 of HKFRS 15 and therefore the information about remaining performance obligations is not disclosed for contracts that have an original expected duration of one year or less and for those performance obligations which are satisfied as invoiced.

## 8. NETWORK, OPERATION AND SUPPORT EXPENSES

	Note	2025	2024
Repairs and maintenance		11,301	11,656
Power and water charges		15,537	15,178
Charges for use of network, premises, equipment and facilities	(i), (iii)	25,154	22,915
Charges for use of tower assets	(ii), (iii)	10,607	12,055
Others		2,627	2,516
		65,226	64,320

## 8. NETWORK, OPERATION AND SUPPORT EXPENSES (Continued)

- (i) During the years ended 31 December 2025 and 2024, charges for use of network, premises, equipment and facilities mainly included the non-lease components charges (maintenance service, certain ancillary facilities usage and other related support services charges) and charges relating to short-term leases, leases of low-value assets and variable lease payments which are recorded in profit or loss as incurred.
- (ii) During the years ended 31 December 2025 and 2024, charges for use of tower assets included the non-lease components charges (maintenance service, certain ancillary facilities usage and other related support services charges) and variable lease payments which are recorded in profit or loss as incurred. For related party transactions with Tower Company, see Note 43.3.
- (iii) Expense relating to short-term leases, leases of low-value assets and variable lease payments not included in the measurement of lease liabilities:

	2025	2024
Expense relating to short-term leases and leases of low value assets	2,105	2,228
Variable lease payments not included in the measurement of lease liabilities*	8,566	8,999

\* During the years ended 31 December 2025 and 2024, variable lease payments not included in the measurement of lease liabilities mainly included charges for use of tower assets and network, premises, equipment and facilities, which are measured based on revenue or usage and recorded in profit or loss when the event or condition that triggers those payments occurred.

## 9. EMPLOYEE BENEFIT EXPENSES

	Note	2025	2024
Salaries and wages		47,725	48,341
Contributions to defined contribution pension schemes		9,928	9,594
Contributions to medical insurance		3,863	2,009
Contributions to housing fund		4,904	4,726
Other housing benefits		13	14
Share-based compensation	42	118	247
		66,551	64,931

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 9. EMPLOYEE BENEFIT EXPENSES (Continued)

### 9.1 Directors' emoluments

The remuneration of each director for the year of 2025 is set out below:

Name of Director	Note	Fees (RMB'000)	Salaries and allowance (RMB'000)	Bonuses paid and payable* (RMB'000)	Contributions to pension schemes (RMB'000)	Total (RMB'000)
Chen Zhongyue	(a)	—	544	312	138	994
Jian Qin	(b)	—	502	375	166	1,043
Wang Junzhi	(c)	—	394	138	68	600
Tang Yongbo	(d)	—	512	338	166	1,016
Li Yuzhuo		—	512	338	166	1,016
Cheung Wing Lam Linus		439	—	—	—	439
Chung Shui Ming Timpson		485	—	—	—	485
Law Fan Chiu Fun Fanny		421	—	—	—	421
Fan Chun Wah Andrew	(e)	421	—	—	—	421
		<b>1,766</b>	<b>2,464</b>	<b>1,501</b>	<b>704</b>	<b>6,435</b>

\* In addition, according to the "Notice on the Compensation Information Disclosure of the Central Government Controlled Enterprises" (Guozifenpei [2016] No.339) (translated from 《關於做好中央企業負責人薪酬信息披露工作的通知》(國資分配[2016]339號)), certain directors were also entitled to deferred bonuses in relation to the years of 2022 to 2024. The deferred bonuses paid to Mr. Chen Zhongyue, Mr. Jian Qin, Mr. Wang Junzhi, Mr. Tang Yongbo and Ms. Li Yuzhuo were RMB804,900, RMB201,200, RMB724,400, RMB716,000 and RMB676,200 respectively

## 9. EMPLOYEE BENEFIT EXPENSES (Continued)

### 9.1 Directors' emoluments (Continued)

The remuneration of each director for the year of 2024 is set out below:

Name of Director	Note	Fees (RMB'000)	Salaries and allowance (RMB'000)	Bonuses paid and payable (RMB'000)	Contributions to pension schemes (RMB'000)	Total (RMB'000)
Chen Zhongyue	(a)	—	569	367	161	1,097
Jian Qin	(b)	—	184	276	121	581
Wang Junzhi	(c)	—	512	331	160	1,003
Li Yuzhuo		—	497	331	160	988
Cheung Wing Lam Linus		438	—	—	—	438
Wong Wai Ming	(f)	124	—	—	—	124
Chung Shui Ming Timpson		476	—	—	—	476
Law Fan Chiu Fun Fanny		419	—	—	—	419
Fan Chun Wah Andrew	(e)	305	—	—	—	305
		1,762	1,762	1,305	602	5,431

Notes:

- (a) Mr. Chen Zhongyue resigned as chairman and chief executive officer on 29 October 2025.
- (b) Mr. Jian Qin was appointed as executive director and president on 10 April 2024.
- (c) Mr. Wang Junzhi resigned as executive director on 22 May 2025.
- (d) Mr. Tang Yongbo was appointed as executive director on 27 June 2025.
- (e) Mr. Fan Chun Wah Andrew was appointed as an independent non-executive director on 10 April 2024.
- (f) Mr. Wong Wai Ming resigned from his position as an independent non-executive director on 10 April 2024.

During the years ended 31 December 2025 and 2024, no share options were granted to the directors.

No directors waived the right to receive emoluments during the years ended 31 December 2025 and 2024.

During the years ended 31 December 2025 and 2024, the Company did not incur any payment to any director for loss of office or as an inducement to any director to join the Company.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 9. EMPLOYEE BENEFIT EXPENSES (Continued)

### 9.2 Senior management's emoluments

Of the nine (2024: nine) senior management of the Company for the year ended 31 December 2025, five (2024: four) of them are directors of the Company and their remuneration has been disclosed in Note 9.1. For the remuneration of the remaining four (2024: five) senior management all fall within the band from RMBNil to RMB1,000,000 (2024: all fall within the band from RMBNil to RMB1,000,000).

### 9.3 Five highest paid individuals

Of the five highest paid individuals for the year ended 31 December 2025, five of them are staffs and one falls within the band from RMB2,500,001 to RMB3,000,000, three fall within the band from RMB3,000,001 to RMB3,500,000, one falls within the band from RMB3,500,001 to RMB4,000,000 (2024: five of them are staffs and three fall within the band from RMB2,500,001 to RMB3,000,000, one falls within the band from RMB3,000,001 to RMB3,500,000, one falls within the band from RMB4,000,001 to RMB4,500,000).

The aggregate of the emoluments in respect of the five (2024: five) highest paid individuals are as follows:

	2025 (RMB'000)	2024 (RMB'000)
Salaries and allowances	6,454	5,820
Bonuses paid and payable	7,623	7,530
Contributions to pension schemes	1,761	1,984
	<b>15,838</b>	15,334

During the years ended 31 December 2025 and 2024, the Group did not incur any payment to the above five highest paid individuals for loss of office or as an inducement to these individuals to join or upon joining the Group.

**10. COSTS OF TELECOMMUNICATIONS PRODUCTS SOLD**

	<b>2025</b>	2024
Handsets and other telecommunication products	<b>42,111</b>	41,583
Others	<b>826</b>	883
	<b>42,937</b>	42,466

**11. OTHER OPERATING EXPENSES**

	<b>2025</b>	2024
Impairment losses under ECL, net of reversal	<b>5,274</b>	6,972
Write-down of inventories	<b>262</b>	303
Commission and other service expenses	<b>27,549</b>	26,522
Advertising and promotion expenses	<b>1,952</b>	2,069
Internet access terminal maintenance expenses	<b>3,030</b>	2,856
Customer retention costs	<b>2,925</b>	3,298
Auditors' remuneration:		
— Audit of the financial statements	<b>47</b>	47
— Other special audit and assurance services	<b>2</b>	5
— Non-audit services	<b>1</b>	1
Property management fee	<b>2,823</b>	2,787
Office and administrative expenses	<b>1,642</b>	1,820
Transportation expense	<b>641</b>	702
Miscellaneous taxes and fees	<b>1,818</b>	1,705
Service technical support expenses	<b>54,535</b>	53,273
Repairs and maintenance expenses	<b>420</b>	419
Gain on disposal of property, plant and equipment and other assets	<b>(2,694)</b>	(2,827)
Others	<b>6,825</b>	7,271
	<b>107,052</b>	107,223

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 12. FINANCE COSTS

	Note	2025	2024
Finance costs:			
— Interest on lease liabilities		1,118	1,543
— Interest on related party loans		169	145
— Interest on bank loans and others		42	56
— Less: Interest capitalised in construction-in-progress ("CIP")	16	(18)	(4)
Total interest expense		1,311	1,740
— Net exchange (gain)/loss		(66)	26
— Others		31	18
		1,276	1,784

## 13. OTHER INCOME — NET

	2025	2024
Dividends from financial assets measured at FVOCI (non-recycling)	171	156
Investment income from debt securities measured at FVOCI (recycling)	201	385
Fair value gains on financial instrument measured at FVPL	20	49
Gains on disposal of financial assets measured at FVPL	60	17
Payables that do not need to be paid	1,205	2,059
Government grants and others	555	2,285
	2,212	4,951

## 14. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Taxation on profits outside Hong Kong has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates. The Company's subsidiaries operate mainly in Chinese Mainland and the applicable statutory enterprise income tax rate is 25% (2024: 25%). Taxation for certain subsidiaries in Chinese Mainland was calculated at a preferential tax rate of 15% (2024: 15%).

	2025	2024
Provision for estimated profits for the year		
— Hong Kong profits tax	54	72
— Chinese Mainland and other jurisdictions income tax	3,287	4,090
Under tax provision in respect of prior years	28	72
	<b>3,369</b>	4,234
Deferred taxation	<b>1,174</b>	287
Income tax expenses	<b>4,543</b>	4,521

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 14. TAXATION (Continued)

Reconciliation between actual income tax expense and accounting profit before income tax at PRC statutory tax rate:

	Note	2025	2024
Profit before income tax		25,453	25,254
Expected income tax expense at PRC statutory tax rate of 25%		6,363	6,314
Impact of different tax rates outside Chinese Mainland		(64)	(55)
Tax effect of preferential tax rate	(i)	(290)	(230)
Additional deduction for qualified research and development costs	(i)	(1,314)	(1,098)
Tax effect of non-deductible expenses		729	463
Tax effect of non-taxable income from share of net profit of joint ventures		(372)	(370)
Tax effect of non-taxable income from share of net profit of associates		(612)	(583)
Under provision in respect of prior years		28	72
Tax effect of unused tax losses not recognised, net of utilisation	(ii)	75	8
Income tax expense		4,543	4,521

- (i) According to the PRC enterprise income tax law and its relevant regulations, entities that are qualified as high and new technology enterprise under the tax law are entitled to a preferential income tax rate of 15% (2024: 15%). Certain subsidiaries of the Group obtained the approval of high and new technology enterprise and were entitled to a preferential income tax rate of 15% (2024: 15%), and certain research and development costs of the Group's PRC subsidiaries are qualified for 100% (2024: 100%) additional deduction for tax purpose.
- (ii) As at 31 December 2025, the Group did not recognise deferred tax assets in respect of tax losses amounting to approximately RMB763 million (31 December 2024: approximately RMB366 million), since it is not probable that future taxable profits will be available against which the deferred tax asset can be utilised. The tax losses can be carried forward for five to ten years from the year incurred and hence will be expired by the year of 2026 to 2035.

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released the Global Anti-Base Erosion ("GloBE") rules, also known as Pillar Two Rules, aimed at reforming international corporate taxation. The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates for most of the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to material top-up tax under the Pillar Two Rules. The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

As at 31 December 2025, the Group did not recognise deferred tax assets in respect of fair value changes on financial assets measured at FVOCI (non-recycling) amounting to approximately RMB9,618 million (2024: approximately RMB9,563 million), since it is not probable that the related tax benefit will be realised.

## 14. TAXATION (Continued)

The movement of the net deferred tax assets/(liabilities) is as follows:

	2025	2024
Net deferred tax assets after offsetting:		
— Beginning of year	1,256	817
— Deferred tax credited to the consolidated statement of income	270	405
— Deferred tax (charged)/credited to other comprehensive income	(3)	7
— Deferred tax credited to reserves	18	27
— End of year	1,541	1,256
Net deferred tax liabilities after offsetting		
— Beginning of year	(1,306)	(600)
— Deferred tax charged to the consolidated statement of income	(1,444)	(692)
— Deferred tax credited/(charged) to other comprehensive income	5	(14)
— End of year	(2,745)	(1,306)

The components of the deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from	Credit loss allowance	Unrecognised revaluation surplus on prepayments for the leasehold land	Unused tax losses	Accruals of expenses not yet deductible for tax purpose	Unrealised profit from the transactions with Tower Company	Accelerated depreciation of property, plant and equipment	Right-of-use assets	Lease liabilities	Others	Total
		determined under PRC regulation (Note (i))								
At 1 January 2024	4,743	1,114	11	6,505	120	(18,304)	(10,215)	10,800	5,443	217
Credited/(charged) to the consolidated statement of income	1,175	(47)	154	1,714	(65)	(3,130)	1,578	(1,412)	(254)	(287)
Charged to other comprehensive income	—	—	—	—	—	—	—	—	(7)	(7)
Credited to reserves	—	—	—	—	—	—	—	—	27	27
At 31 December 2024	5,918	1,067	165	8,219	55	(21,434)	(8,637)	9,388	5,209	(50)
Credited/(charged) to the consolidated statement of income	857	(48)	18	927	(55)	(3,189)	2,309	(2,262)	269	(1,174)
Credited to other comprehensive income	—	—	—	—	—	—	—	—	2	2
Credited to reserves	—	—	—	—	—	—	—	—	18	18
At 31 December 2025	6,775	1,019	183	9,146	—	(24,623)	(6,328)	7,126	5,498	(1,204)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 14. TAXATION (Continued)

- (i) The prepayments for the leasehold land were revalued for PRC tax purposes as at 31 December 2003 and 2004. However, the resulting revaluations of the prepayments for the leasehold land were not recognised under HKFRS Accounting Standards. Accordingly, deferred tax assets were recorded by the Group under HKFRS Accounting Standards.
- (ii) According to "Announcement on Enterprise Income Tax Policy for Those Enterprise Involved in the Accelerated Depreciation of Property, Plant and Equipment" (Caishui [2014] No.75) issued by the MOF and the State Administration Taxation ("SAT") of the PRC, starting from 2014, the Group's property, plant and equipment that comply with this tax policy are allowed to be depreciated under the accelerated depreciation method, or fully deducted for tax purpose in the year of purchase. Temporary differences arise from the different useful lives under tax basis and accounting basis have been recorded as deferred tax liabilities.

## 15. EARNINGS PER SHARE

Basic earnings per share for the years ended 31 December 2025 and 2024 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the years.

Diluted earnings per share for the years ended 31 December 2025 and 2024 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the years, after adjusting for the effects of the dilutive potential ordinary shares. There were no dilutive potential ordinary shares for the years ended 31 December 2025 and 2024.

The following table sets forth the computation of basic and diluted earnings per share:

	2025	2024
Numerator (in RMB millions):		
Profit attributable to equity shareholders of the Company used in computing basic/diluted earnings per share	20,816	20,613
Denominator (in millions):		
Number of ordinary shares outstanding used in computing basic/diluted earnings per share	30,598	30,598
Basic/Diluted earnings per share (in RMB)	0.68	0.67

## 16. PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment for the years ended 31 December 2025 and 2024 are as follows:

	2025					Total
	Buildings	Tele-communications equipment	Office furniture, fixtures, motor vehicles and other equipment	Leasehold improvements	CIP	
<b>Cost:</b>						
Beginning of year	86,228	885,060	20,955	3,262	36,328	1,031,833
Additions	1,863	338	407	87	49,018	51,713
Transfer from CIP	4,009	46,732	1,262	380	(52,383)	—
Transfer to other assets	—	—	—	—	(2,369)	(2,369)
Disposals	(311)	(16,408)	(878)	(407)	(3)	(18,007)
End of year	91,789	915,722	21,746	3,322	30,591	1,063,170
<b>Accumulated depreciation and impairment:</b>						
Beginning of year	(48,786)	(613,403)	(15,717)	(2,300)	(97)	(680,303)
Charge for the year	(2,774)	(49,986)	(1,309)	(392)	—	(54,461)
Disposals	274	15,660	861	407	3	17,205
End of year	(51,286)	(647,729)	(16,165)	(2,285)	(94)	(717,559)
<b>Net book value:</b>						
End of year	40,503	267,993	5,581	1,037	30,497	345,611
Beginning of year	37,442	271,657	5,238	962	36,231	351,530

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2024					Total
	Buildings	Tele-communications equipment	Office furniture, fixtures, motor vehicles and other equipment	Leasehold improvements	CIP	
<b>Cost:</b>						
Beginning of year	80,983	841,919	19,949	3,212	50,377	996,440
Additions	1,175	362	326	92	60,193	62,148
Transfer from CIP	4,168	59,515	1,270	343	(65,296)	—
Transfer to other assets	—	—	—	—	(8,946)	(8,946)
Disposals	(98)	(16,736)	(590)	(385)	—	(17,809)
End of year	86,228	885,060	20,955	3,262	36,328	1,031,833
<b>Accumulated depreciation and impairment:</b>						
Beginning of year	(46,190)	(576,818)	(14,995)	(2,345)	(97)	(640,445)
Charge for the year	(2,683)	(52,551)	(1,292)	(326)	—	(56,852)
Disposals	87	15,966	570	371	—	16,994
End of year	(48,786)	(613,403)	(15,717)	(2,300)	(97)	(680,303)
<b>Net book value:</b>						
End of year	37,442	271,657	5,238	962	36,231	351,530
Beginning of year	34,793	265,101	4,954	867	50,280	355,995

For the year ended 31 December 2025, interest expense of approximately RMB18 million (2024: approximately RMB4 million) was capitalised in CIP. The capitalised borrowing rate represented the cost of capital for raising the related borrowings and varied from 1.73% to 2.40% for the year ended 31 December 2025 (2024: 1.70% to 2.40%).

Mainly as a result of the Group's ongoing modification of its telecommunications network and following subscribers' voluntarily cross network migration progress, the Group disposed certain property, plant and equipment with carrying amounts of RMB802 million for the year ended 31 December 2025 (2024: RMB815 million).

## 17. RIGHT-OF-USE ASSETS

	2025				
	Buildings	Tele-communications equipment	Land use rights	Others	Total
<b>Cost:</b>					
Beginning of year	20,127	77,242	15,305	2,608	115,282
Additions	3,138	3,215	160	507	7,020
Disposals	(5,738)	(5,049)	(22)	(468)	(11,277)
End of year	17,527	75,408	15,443	2,647	111,025
<b>Accumulated depreciation and impairment:</b>					
Beginning of year	(11,274)	(48,956)	(5,826)	(1,704)	(67,760)
Charge for the year	(3,558)	(8,845)	(364)	(596)	(13,363)
Disposals	5,525	2,750	20	468	8,763
End of year	(9,307)	(55,051)	(6,170)	(1,832)	(72,360)
<b>Net book value:</b>					
End of year	8,220	20,357	9,273	815	38,665
Beginning of year	8,853	28,286	9,479	904	47,522

	2024				
	Buildings	Tele-communications equipment	Land use rights	Others	Total
<b>Cost:</b>					
Beginning of year	19,201	75,411	14,030	2,288	110,930
Additions	4,050	4,466	1,384	605	10,505
Disposals	(3,124)	(2,635)	(109)	(285)	(6,153)
End of year	20,127	77,242	15,305	2,608	115,282
<b>Accumulated depreciation and impairment:</b>					
Beginning of year	(10,288)	(41,192)	(5,558)	(1,284)	(58,322)
Charge for the year	(3,965)	(8,749)	(298)	(650)	(13,662)
Disposals	2,979	985	30	230	4,224
End of year	(11,274)	(48,956)	(5,826)	(1,704)	(67,760)
<b>Net book value:</b>					
End of year	8,853	28,286	9,479	904	47,522
Beginning of year	8,913	34,219	8,472	1,004	52,608

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 35.

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## 18. GOODWILL

Goodwill arising from the acquisitions of Unicom New Century Telecommunications Co., Ltd. and Unicom New World Telecommunications Co., Ltd. by the Group in 2002 and 2003, respectively, represented the excess of the purchase consideration over the Group's share of the fair values of the separately identifiable net assets acquired prior to the adoption of AG 5 in 2005.

Goodwill is allocated to the Group's cash-generating unit (the "CGU"). The recoverable amount of the CGU with goodwill is determined based on value in use calculations. These calculations use pre-tax cash flow projections for 5 years based on financial budgets approved by management, and extrapolated using a steady 1% growth rate for subsequent years (2024: 1%), and the applicable discount rate of 10% (2024: 11%). Management determined expected growth rate and operating results based on past performance and its expectations in relation to market developments. The discount rate used is pre-tax and reflects specific risks relating to the CGU. Based on management's assessment results, there was no impairment of goodwill as at 31 December 2025 and 2024, any reasonably possible change in the assumptions used in the calculation of recoverable amount would not result in impairment losses.

## 19. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2025, the details of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
CUCL	The PRC, 21 April 2000, limited liability company	100%	—	RMB225,392,084,328	Telecommunications operation in the PRC
CUGL	Hong Kong, 29 May 2015, limited company	100%	—	HKD2,625,097,491	Investment holding
China Unicom (Hong Kong) Operations Limited	Hong Kong, 24 May 2000, limited company	—	100%	HKD1,510,100,000	Telecommunications service in Hong Kong
China Unicom (Americas) Operations Limited	USA, 24 May 2002, limited company	—	100%	5,000 shares, USD100 each	Telecommunications service in the USA
China Unicom (Europe) Operations Limited	The United Kingdom, 8 November 2006, limited company	—	100%	4,861,000 shares, GBP1 each	Telecommunications operation in the United Kingdom
China Unicom (Japan) Operations Corporation	Japan, 25 January 2007, limited company	—	100%	1,000 shares, JPY366,000 each	Telecommunications operation in Japan
China Unicom (Singapore) Operations Pte Limited	Singapore, 5 August 2009, limited company	—	100%	80,000,000 shares, RMB1 each	Telecommunications operation in Singapore

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom (South Africa) Operations (Pty) Limited	South Africa, 19 November 2012, limited liability company	—	100%	200 shares in total: 100 shares, ZAR 1 each 100 shares, ZAR 512,063.34 each	Telecommunications operation in South Africa
China Unicom (MYA) Operations Company Limited	The Republic of the Union of Myanmar ("Myanmar"), 7 June 2013, limited liability company	—	100%	2,150,000 shares, USD1 each	Communications technology training in Myanmar
China Unicom (Australia) Operations Pty Limited	Australia, 27 May 2014, limited liability company	—	100%	18,135,920 shares, AUD 1 each	Telecommunications operation in Australia
China Unicom (Russia) Operations Limited Liability Company	Russia, 28 December 2016, limited liability company	—	100%	RUB127,453,000	Telecommunications service in Russia
China Unicom (Brazil) Telecommunications Limited	Brazil, 23 June 2016, limited liability company	—	100%	R\$35,603,423	Telecommunications service in Brazil
China Unicom (Brazil) Holdings Ltda.	Brazil, 27 October 2017, limited liability company	—	100%	R\$34,605,225	Investment holding
China Unicom Operations (Thailand) Limited	Thailand, 20 November 2017, limited liability company	—	100%	1,040,000 shares, Baht100 each	Telecommunications service in Thailand
China Unicom Operations (Malaysia) Sdn. Bhd.	Malaysia, 10 November 2017, limited liability company	—	100%	3,200,000 shares, MYR1 each	Telecommunications service in Malaysia
China Unicom Operations Korea Co., Ltd	Korea, 24 November 2017, limited liability company	—	100%	60,000 shares, KRW5,000 each	Telecommunications service in Korea
China Unicom (Vietnam) Operations Company Limited	Vietnam, 19 April 2018, limited liability company	—	100%	VND2,276,000,000	Telecommunications service in Vietnam
China Unicom (Cambodia) Operations Co. Ltd	Cambodia, 11 May 2018, limited liability company	—	100%	560,000 shares, Riels4,000 each	Telecommunications service in Cambodia
PT China Unicom Indonesia Operations	Indonesia, 25 October 2019, limited liability company	—	100%	20,000,000,001 shares, Rp1 each	Telecommunications service in Indonesia

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(All amounts in RMB millions unless otherwise stated)

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom (Philippines) Operations Inc	Philippines, 6 November 2019, limited liability company	—	100%	103,012 shares, Php100 each	Telecommunications service in Philippines
China Unicom (Mexico) Operations Limited	Mexico, 29 October 2021, limited liability company	—	100%	Peso88,000,000	Telecommunications service in Mexico
Unicom Vsens Telecommunications Company Limited	The PRC, 19 August 2008, limited liability company	—	100%	RMB610,526,532	Sales of handsets, telecommunications equipment and provision of customer services in the PRC
China Unicom Digital Technology Co.,Ltd	The PRC, 30 April 2006, limited liability company	—	100%	RMB9,771,547,616	Provision of information communications technology services in the PRC
China Unicom Online Information Technology Company Limited	The PRC, 29 March 2006, limited liability company	—	100%	RMB400,000,000	Provision of internet and value-added telecommunications services in the PRC
Beijing Telecom Planning and Designing Institute Company Limited	The PRC, 25 April 1996, limited liability company	—	100%	RMB264,227,115	Provision of consultancy,survey, design and contract services relating to information projects and construction projects in the telecommunications industry in the PRC
China Information Technology Designing & Consulting Institute Company Limited	The PRC, 11 November 1991, limited liability company	—	75%	RMB573,333,335	Provision of consultancy,survey, design and engineering procurement construction services relating to information projects and construction projects in the telecommunications industry in the PRC
China Unicom Information Navigation Company Limited	The PRC, 17 September 1998, limited liability company	—	100%	RMB6,825,087,800	Provision of telecommunications customer services in the PRC
Zhongxun Chuangke (Suzhou) Intelligent Technology Company Limited	The PRC, 21 December 2005, limited liability company	—	100%	RMB50,000,000	Provision of information system integration business in the PRC

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
Unicompay Company Limited	The PRC, 11 April 2011, limited liability company	—	100%	RMB250,000,000	Provision of e-payment services in the PRC
Beijing Wo Digital Media Advertising Co., Ltd	The PRC, 21 July 2006, limited liability company	—	100%	RMB20,000,000	Provision of advertising design, production, agency and publication in the PRC
Guangdong Unicom Communication Construction Co., Ltd	The PRC, 28 May 2013, limited liability company	—	100%	RMB80,000,000	Provision of telecommunications network construction, maintenance and technical services in the PRC
China Unicom Intelligence Security Technology Corporation Limited	The PRC, 15 August 2007, limited liability company	—	100%	RMB150,000,000	Provision of technical development and internet technology services in the PRC
Unicom Cloud Data Company Limited	The PRC, 4 June 2013, limited liability company	—	100%	RMB4,000,000,000	Provision of technology development, transfer and consulting service in the PRC
Unicom Innovation Investment Company Limited	The PRC, 29 April 2014, limited liability company	—	100%	RMB4,840,000,000	Venture capital investment business in the PRC
Xiaowo Technology Co. Ltd	The PRC, 24 October 2014, limited liability company	—	100%	RMB200,000,000	Provision of internet and value-added telecommunications business in the PRC
China Unicom Smart Connection Technology Company Limited	The PRC, 7 August 2015, limited liability company	—	68.88%	RMB246,796,148	Auto informatisation in the PRC
China Unicom Smart Mobility Technology (Cheng Du) Co., Ltd.	The PRC, 26 September 2018, limited liability company	—	80%	RMB13,000,000	Provision of technology promotion service of intelligent transportation system's products in the PRC
Finance Company	The PRC, 17 June 2016, limited liability company	—	91%	RMB3,000,000,000	Provision of financial services in the PRC
Unicom United Investment (Beijing) Co., Ltd.	The PRC, 28 January 2016, limited liability company	—	100%	RMB5,000,000	Venture capital investment business in the PRC

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(All amounts in RMB millions unless otherwise stated)

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
Lianchuangqianxian (Guizhou) Technology Service Co., Ltd.	The PRC, 8 October 2016, limited liability company	—	60%	RMB1,537,500	Venture capital investment business in the PRC
China Unicom Emerging (Beijing) Investment Centre (Limited Partnership)	The PRC, 1 February 2016, limited partnership	—	99%	RMB68,074,936	Venture capital investment business in the PRC
Beijing Medical Health Model Co., Ltd (Former name:Unicom Big Data Co., Ltd.)	The PRC, 24 August 2017, limited liability company	—	100%	RMB500,000,000	Provision of data processing in the PRC
Liantong Travel Service (Beijing) Company Limited	The PRC, 30 September 2017, limited liability company	—	100%	RMB100,000,000	Provision of tourism and information services in the PRC
China Unicom (Guangdong) Industrial Internet Company Limited	The PRC, 5 January 2017, limited liability company	—	100%	RMB150,000,000	Provision of information system integration business in the PRC
China Unicom (Zhejiang) Industry Internet Company Limited	The PRC, 20 June 2017, limited liability company	—	100%	RMB61,000,000	Provision of data, information and technology services business in the PRC
China Unicom (ShanDong) Industrial Internet Company Limited	The PRC, 3 March 2017, limited liability company	—	100%	RMB150,000,000	Provision of information system integration business in the PRC
China Unicom (Fujian) Industrial Internet Company Limited	The PRC, 23 February 2018, limited liability company	—	100%	RMB50,000,000	Provision of information system integration business in the PRC
China Unicom (Shanxi) Industrial Internet Company Limited	The PRC, 21 March 2018, limited liability company	—	100%	RMB100,000,000	Provision of information system integration business in the PRC
China Unicom Xiongan Industrial Internet Company Limited	The PRC, 25 April 2018, limited liability company	—	100%	RMB1,302,712,600	Provision of information system integration business in the PRC

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom (Sichuan) Industrial Internet Company Limited	The PRC, 29 March 2018, limited liability company	—	100%	RMB100,000,000	Provision of information system integration business in the PRC
China Unicom (Liaoning) Industrial Internet Company Limited	The PRC, 28 March 2018, limited liability company	—	100%	RMB100,000,000	Provision of information system integration business in the PRC
China Unicom (Jiangsu) Industrial Internet Company Limited	The PRC, 9 May 2018, limited liability company	—	100%	RMB26,200,000	Provision of information system integration business in the PRC
China Unicom (Shanghai) Industrial Internet Company Limited	The PRC, 13 March 2018, limited liability company	—	100%	RMB70,000,000	Provision of information system integration business in the PRC
China Unicom (Heilongjiang) Industrial Internet Company Limited	The PRC, 14 March 2018, limited liability company	—	100%	RMB100,000,000	Provision of information system integration business in the PRC
Henan Industrial Interconnection & Technology Co, Ltd	The PRC, 30 May 2019, limited liability company	—	40%	RMB90,000,000	Provision of information system integration business in the PRC
China Unicom Video Technology Co., Ltd.	The PRC, 17 January 2018, limited liability company	—	100%	RMB100,000,000	Provision of technology research and development of TV and mobile video, consultation, disposal, promotion and value-added telecommunications services
China Unicom Internet of Things Corporation Limited	The PRC, 16 March 2018, limited liability company	—	100%	RMB261,516,702	Provision of internet of things technology, consultation and service in the PRC
China Unicom High-tech Big Data Artificial Intelligence Technology (Chengdu) Co., Ltd.	The PRC, 29 March 2018, limited liability company	—	51%	RMB10,000,000	Provision of Big Data Service, cloud computation and infrastructure service in the PRC

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(All amounts in RMB millions unless otherwise stated)

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom iRead Science and Culture Co., Ltd.	The PRC, 28 April 2018, limited liability company	—	100%	RMB51,000,000	Provision of internet and value-added telecommunications business in the PRC
China Unicom WO Music & Culture Co., Ltd.	The PRC, 8 May 2018, limited liability company	—	100%	RMB100,000,000	Provision of internet information services in the PRC
China Unicom Leasing Co., Ltd.	The PRC, 11 April 2018, limited liability company	25%	75%	RMB3,000,000,000	Provision of financing leasing business in the PRC
Yunjing Culture And Tourism Technology Co., Ltd	The PRC, 27 February 2019, limited liability company	—	80%	RMB25,000,000	Provision of tourism and big data business, data analysis, processing and application services in the PRC
Yundun Intelligent Security Technology Co., Ltd	The PRC, 11 November 2019, limited liability company	—	51%	RMB100,000,000	Provision of software development; technology promotion and development in the PRC
Wobaifu Information Technology (Tianjin) Co., Ltd	The PRC, 17 April 2020, limited liability company	—	100%	RMB1,000,000	Provision of other technology promotion service in the PRC
China Unicom FAW Communication Technology (Changchun) Co., Ltd	The PRC, 27 September 2002, limited liability company	—	51%	RMB86,458,636	Telecommunications business in the PRC
Jiangxi Zhengtong Digital Economy Technology (Former name: Yichun Digital Economy Industry Operation Co., Ltd)	The PRC, 14 December 2020, limited liability company	—	51%	RMB30,000,000	Provision of telecommunication, television broadcasting and satellite transmission services in the PRC
Lianchuang Weilai (Wuhan) Intelligent Manufacturing Industry Investment Partnership (Limited Partnership)	The PRC, 29 July 2020, limited liability company	—	61.64%	RMB1,133,959,578.06	Provision of investment business in the PRC
Hebei Sign Technology Co., Ltd.	The PRC, 22 October 2021, limited liability company	—	70%	RMB10,000,000	Provision of information system integration business in the PRC

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom Spirit Realm Video (Jiangxi) Technology Company Limited	The PRC, 9 July 2021, limited liability company	—	100%	RMB10,000,000	Provision of internet and telecommunication value added business in the PRC
China Unicom Innovation Investment Company (Shanghai), Ltd	The PRC, 6 June 2014, limited liability company	—	70%	RMB40,000,000	Provision of pioneer investment business in the PRC
China Unicom Western Innovation Institute	The PRC, 6 September 2021, limited liability company	—	100%	RMB50,000,000	Provision of information technology consultation services
Lian Kuan (Wuhan) Investment Center (Limited Partnership)	The PRC, 24 July 2020, limited liability company	—	87.47%	RMB8,715,000	Provision of investment business in the PRC
Lingang Data Intelligence Technology (Shanghai) Co., Ltd.	The PRC, 29 December 2021 limited liability company	—	100%	RMB1,000,000,000	Provision of internet data and security services; cloud computing services in the PRC
China Unicom Intelligence Technology Industrial Co., Ltd	The PRC, 30 May 2022, limited liability company	—	100%	RMB1,200,000,000	Provision of internet data services, 5G Communications technology services and AI industry application services in the PRC
China Unicom (Beijing) Industrial Internet Co., Ltd	The PRC, 21 November 2022, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Jilin) Industrial Internet Company Limited	The PRC, 8 August 2022, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Anhui) Industry Internet Company Limited	The PRC, 13 July 2022, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Jiangxi) Industrial Internet Co., Ltd	The PRC, 16 November 2022, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Hubei) Industrial Internet Company Limited	The PRC, 26 September 2022, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC

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## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom (Henan) Industrial Internet Company Limited	The PRC, 22 August 2022, limited liability company	—	100%	RMB100,000,000	Provision of information and system integration business in the PRC
China Unicom (Hunan) Industrial Internet Company Limited	The PRC, 13 September 2022, limited liability company	—	100%	RMB50,000,000	Provision of internet other information services in the PRC
China Unicom (Hainan) Industrial Internet Company Limited	The PRC, 19 July 2022, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
Yunjin Intelligence Technology Corporation Limited	The PRC, 6 June 2022, limited liability company	—	45%	RMB42,500,000	Provision of internet data services and technology development in the PRC
Chongqing Digital intelligence Integration Innovation Technology Co., Ltd.	The PRC, 8 August 2022, limited liability company	—	70%	RMB100,000,000	Provision of technology development and application, integrated innovation and operation in the PRC
Unicom (Langfang) Cloud Data Company Limited	The PRC, 31 October 2022, limited liability company	—	100%	RMB5,000,000	Provision of type 1 value-added telecommunications services and internet technology services etc in the PRC
Unicom (Zhejiang) Cloud Data Company Limited	The PRC, 25 May 2022, limited liability company	—	100%	RMB40,000,000	Provision of big data services and information technology services in the PRC
China Unicom (Tianjin) Industrial Internet Company Limited	The PRC, 12 September 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Inner Mongolia) Industrial Internet Company Limited	The PRC, 21 September 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Guangxi) Industrial Internet Company Limited	The PRC, 13 November 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom (Chongqing) Industrial Internet Company Limited	The PRC, 12 September 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Guizhou) Industrial Internet Company Limited	The PRC, 23 October 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Shaanxi) Industrial Internet Company Limited	The PRC, 19 September 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Gansu) Industrial Internet Company Limited	The PRC, 22 September 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Ningxia) Industrial Internet Company Limited	The PRC, 3 November 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Xinjiang) Industrial Internet Company Limited	The PRC, 8 November 2023, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom Digital Intelligence Medical Technology Co., Ltd	The PRC, 10 December 2023, other limited liability company	—	46.63%	RMB150,000,000	Provision of technology service, development, consultation, communication, transfer and promotion in the PRC
Nebula Times Technology Co.,Ltd.	The PRC, 26 April 2023, other limited liability company	—	48%	RMB135,000,000	Provision of internet connection relevant service in the PRC
China Unicom (Guangdong) Network Information Security Technology Co., Ltd.	The PRC, 26 January 2024, limited liability company	—	100%	RMB1,000,000,000	Provision of software and information technology service in the PRC
Rural Revitalization Institute of Digital Industry	The PRC, 8 February 2024, limited liability company	—	70%	RMB100,000,000	Provision of value-added telecommunications business, authentication services, internet information services, and sales of IT security products in the PRC

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For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
China Unicom (Huailai) Big Data Innovation Industry Company Limited	The PRC, 20 March 2024, limited liability company	—	100%	RMB50,000,000	Provision of internet data services and technology development services in the PRC
China Unicom (Qinghai) Green Power Intelligent Computing Technology Company Limited	The PRC, 11 May 2024, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom Data Intelligence Co., Ltd.	The PRC, 22 September 2024, limited liability company	—	100%	RMB1,500,000,000	Provision of internet data service in the PRC
China Unicom (Middle East) Operations FZ-LLC	United Arab Emirates, 27 September 2024, limited liability company	—	100%	AED 10,210,000	Telecommunications service in UAE
China Unicom (Yunnan) Industrial Internet Company Limited	The PRC, 29 September 2024, limited liability company	—	100%	RMB50,000,000	Provision of information and system integration business in the PRC
China Unicom (Macau) Operations Limited	Macau, 19 November 2024, limited liability company	—	100%	MOP22,856,000	Telecommunications service in Macau
China Unicom (HONG KONG) Innovation Research Institute Limited	Hong Kong, 20 November 2024, limited liability company	—	100%	HKD100,000,000	Natural science research and experimental development
China Unicom Xinwo Venture Capital Management (Shanghai) Co., Ltd.	The PRC, 2 February 2016, limited liability company	—	78%	RMB12,000,000	Provision of investment business in the PRC
Unicom Guangxin I(Guangzhou)Equity Investment Partnership (L.P.)	The PRC, 18 September 2019, limited liability company	—	75.95%	RMB253,750,000	Provision of investment consultation services in the PRC

## 19. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment and nature of legal entity	Percentage of equity interests held		Particular of issued share capital/ paid up capital	Principal activities and place of operation
		Direct	Indirect		
Unicom (Netherlands) Operations B.V.	Netherlands, 28 October 2025, limited liability company	—	100%	—	Provision of telecommunication services in the Netherlands
China Unicom Smart Manufacturing Technology Industry (Guangdong) Co., Ltd.	The PRC, 31 March 2025, limited liability company	—	100%	RMB100,000,000	Provision of software and information technology services in the PRC

For subsidiaries which the Group's ownership is less than 50%, the Group has a majority of the voting rights to direct the relevant activities of these subsidiaries pursuant to articles of association.

None of the subsidiaries had issued any debt securities during the year ended 31 December 2025 (2024: None of the subsidiaries had issued any debt securities).

## 20. INTEREST IN ASSOCIATES

	2025	2024
Share of net assets	45,792	45,058

The following list contains the particulars of a material associate as at 31 December 2025:

Name	Form of business structure	Place of incorporation and business	Proportion of ownership interest held by a subsidiary	Paid up capital	Principal activities
Tower Company	Incorporated	The PRC	20.65%	RMB176,008,471,024	Construction, maintenance and operation of communications towers in the PRC (Note 43.3)

The above associate is accounted for using the equity method in the consolidated financial statements.

# Notes to the Consolidated Financial Statements

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## 20. INTEREST IN ASSOCIATES (Continued)

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements, are disclosed below:

	<b>Tower Company</b>	
	<b>2025</b>	2024
Current assets	<b>104,069</b>	91,360
Non-current assets	<b>232,510</b>	241,474
Current liabilities	<b>(80,565)</b>	(75,799)
Non-current liabilities	<b>(52,106)</b>	(57,056)
Equity	<b>(203,908)</b>	(199,979)
Revenue	<b>100,411</b>	97,772
Profit for the year	<b>11,631</b>	10,730
Total comprehensive income for the year	<b>11,629</b>	10,727
<b>Reconciled to the Group's interest in the associate:</b>		
Net assets of the associate	<b>203,908</b>	199,979
The Group's effective interest	<b>20.65%</b>	20.65%
	<b>42,104</b>	41,295
Adjustment for the remaining balance of the deferred gain from the transactions with Tower Company	—	(218)
Carrying amount in the consolidated financial statements	<b>42,104</b>	41,077

The fair values of the interests in Tower Company is based on quoted market prices available on the SEHK (level 1: quoted price (unadjusted) in active markets) at the financial position date without any deduction for transaction costs and disclosed as follows:

	<b>As at 31 December 2025</b>		As at 31 December 2024	
	<b>Carrying amount</b>	<b>Fair value</b>	Carrying amount	Fair value
Interest in listed associate				
— Tower Company	<b>42,104</b>	<b>37,949</b>	41,077	37,697

## 20. INTEREST IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material:

	2025	2024
The Group's share of profit	48	73
The Group's share of other comprehensive income	—	—
The Group's share of total comprehensive income	48	73
Aggregate carrying amount of the Group's interest in these associates	3,688	3,981

## 21. INTEREST IN JOINT VENTURES

	2025	2024
Share of net assets	12,640	11,453

The following list contains the particulars of a material joint venture, which is an unlisted corporate entity and has no available quoted market price as at 31 December 2025:

Name	Form of business structure	Place of incorporation and business	Proportion of ownership interest		Principal activities
			held by a subsidiary	Paid up capital	
Merchants Union Consumer Finance Company Limited ("MUCFC")	Incorporated	The PRC	50%	RMB10,000,000,000	Consumer finance consulting in the PRC

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For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 21. INTEREST IN JOINT VENTURES (Continued)

Summarised financial information of the material joint venture, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements, are disclosed below:

	<b>MUCFC</b>	
	<b>2025</b>	2024
Assets	<b>167,238</b>	163,751
Liabilities	<b>(142,121)</b>	(141,088)
Equity	<b>(25,117)</b>	(22,663)
Revenue	<b>16,144</b>	17,318
Profit for the year	<b>3,054</b>	3,016
Total comprehensive income for the year	<b>3,054</b>	3,016
Included in above income:		
Interest income	<b>20,767</b>	22,391
Interest expense	<b>(2,673)</b>	(3,672)
Income tax expense	<b>(467)</b>	(440)
<b>Reconciled to the Group's interests in the joint venture:</b>		
Net assets of the joint venture	<b>25,117</b>	22,663
The Group's effective interest	<b>50%</b>	50%
Carrying amount in the consolidated financial statements	<b>12,559</b>	11,332

Aggregate information of joint ventures that are not individually material:

	<b>2025</b>	2024
The Group's share of loss	<b>(40)</b>	(27)
The Group's share of other comprehensive income	—	—
The Group's share of total comprehensive expense	<b>(40)</b>	(27)
Aggregate carrying amount of the Group's interest in these joint ventures	<b>81</b>	121

## 22. CONTRACT ASSETS AND CONTRACT LIABILITIES

### (a) Contract assets

	2025	2024 (Re-presented)
Contract assets from bundle sales of mobile handsets and provision of service, net of allowance	977	219
Others	119	141
Sub-total	1,096	360
Less: Current portion	(650)	(283)
	446	77

The Group offers preferential packages to the customers which include the bundle sales of mobile handsets and provision of service. The total contract consideration of such preferential packages is allocated to service revenue and sales of handsets based on their standalone selling prices. The revenue relating to the sale of the handsets is recognised when the customers obtain the control of the handsets and the consideration allocated to the sales of mobile handsets is gradually received during the contract period when the customers pay the monthly package fee.

### (b) Contract liabilities

	Note	2025	2024 (Re-presented)
Advances received from customers for future services	(i)	45,575	45,301
Others		1,443	1,464
		47,018	46,765

- (i) Contract liabilities primarily relate to the considerations received from customers before the Group satisfying performance obligations. It would be recognised as revenue upon the rendering of services. Almost all of the contract liability balance as at 31 December 2024 has been recognised as revenue during the year ended 31 December 2025.

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## 23. CONTRACT COSTS

	Note	2025	2024
Direct incremental costs of broadband and internet protocol television (“IPTV”) service	(i)	7,942	8,850
Sales commissions	(ii)	—	18
		<b>7,942</b>	<b>8,868</b>

- (i) Direct incremental costs for activating broadband and IPTV subscribers mainly include the costs of installing broadband and IPTV terminals at customer’s homes for the provision of broadband and IPTV services, and are amortised over the expected service period. The amount of capitalised direct incremental costs for activating broadband and IPTV subscribers recognised in profit or loss during the year was RMB6,215 million (2024: RMB7,022 million). There was no significant impairment in relation to the capitalised costs as at 31 December 2025 (2024: Nil).
- (ii) Sales commissions are paid to agents whose selling activities resulted in new customers entering into contracts with the Group. The amount of capitalised sales commissions recognised in profit or loss during the year was RMB18 million (2024: RMB107 million).

## 24. FINANCIAL ASSETS MEASURED AT FAIR VALUE

	Note	2025	2024
Non-current portion:			
Equity securities measured at FVOCI (non-recycling)	(i)	2,152	2,210
Financial assets measured at FVPL	(ii)	1,503	1,150
Debt securities measured at FVOCI (recycling)	(iii)	1,477	1,307
		<b>5,132</b>	<b>4,667</b>
Current portion:			
Financial assets measured at FVPL	(ii)	2,805	2,526
Debt securities measured at FVOCI (recycling)	(iii)	18,593	6,624
		<b>21,398</b>	<b>9,150</b>
		<b>26,530</b>	<b>13,817</b>

**24. FINANCIAL ASSETS MEASURED AT FAIR VALUE (Continued)****(i) Equity securities measured at FVOCI (non-recycling)**

	Note	2025	2024
Listed in the PRC		184	197
Listed outside the PRC	40	1,847	1,902
Unlisted		121	111
		<b>2,152</b>	2,210

(ii) Financial assets measured at FVPL represent certain equity investments, investments in monetary funds and wealth management products.

(iii) Debt securities measured at FVOCI (recycling) represent certain debt investments issued by banks and the investments are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale.

**25. SHORT-TERM BANK DEPOSITS AND RESTRICTED DEPOSITS**

	2025	2024
Short-term bank deposits	17,421	22,265
Restricted deposits	4,285	3,961
	<b>21,706</b>	26,226

**26. OTHER ASSETS**

	Note	2025	2024 (Re-presented)
Intangible assets	(i)	19,982	19,958
Prepaid services charges for transmission lines and electricity cables and other services		1,226	1,332
VAT recoverable	(ii)	506	399
Capital bonds		431	442
Amounts due from related parties		1	3
Others		2,393	1,916
		<b>24,539</b>	24,050

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(All amounts in RMB millions unless otherwise stated)

**26. OTHER ASSETS (Continued)****(i) Intangible assets**

	<b>Computer software</b>	<b>Others</b>	<b>Total</b>
Cost:			
At 1 January 2024	35,894	11,438	47,332
Additions	254	173	427
Transfer from CIP	417	6,947	7,364
Disposals	(4,648)	(288)	(4,936)
At 31 December 2024	31,917	18,270	50,187
Additions	<b>53</b>	<b>4,109</b>	<b>4,162</b>
Transfer from CIP	<b>1,908</b>	<b>196</b>	<b>2,104</b>
Disposals	<b>(1,997)</b>	<b>(325)</b>	<b>(2,322)</b>
At 31 December 2025	<b>31,881</b>	<b>22,250</b>	<b>54,131</b>
Accumulated amortisation and impairment:			
At 1 January 2024	(24,043)	(5,024)	(29,067)
Amortisation charge for the year	(3,442)	(2,286)	(5,728)
Disposals	4,332	234	4,566
At 31 December 2024	(23,153)	(7,076)	(30,229)
Amortisation charge for the year	<b>(2,843)</b>	<b>(3,366)</b>	<b>(6,209)</b>
Disposals	<b>1,982</b>	<b>307</b>	<b>2,289</b>
At 31 December 2025	<b>(24,014)</b>	<b>(10,135)</b>	<b>(34,149)</b>
Net book value:			
At 31 December 2025	<b>7,867</b>	<b>12,115</b>	<b>19,982</b>
At 31 December 2024	8,764	11,194	19,958

- (ii)** VAT recoverable includes input VAT and prepaid VAT which is expected to be deducted beyond one year. VAT recoverable which is expected to be deducted within one year are included in "prepayments and other current assets". See Note 29(i).

## 27. INVENTORIES

	2025	2024
Handsets and other telecommunication products	1,552	1,459
Others	879	1,004
	<b>2,431</b>	2,463

## 28. ACCOUNTS RECEIVABLE

	2025	2024 (Re-presented)
Accounts receivable from third parties	87,241	77,547
Amounts due from ultimate holding company	91	45
Amounts due from related parties	1,363	1,133
Amounts due from Tower Company	314	255
Amounts due from domestic carriers	4,970	3,999
Less: Credit loss allowance	(27,985)	(24,105)
	<b>65,994</b>	58,874

The gross carrying amount of accounts receivable from contracts with customers amounted to RMB93,790 million as at 31 December 2025 (2024 re-presented: RMB82,848 million).

The aging analysis of accounts receivable, based on the billing date and net of credit loss allowance, is as follows:

	2025	2024 (Re-presented)
Within one month	18,253	17,641
More than one month but not more than three months	10,991	10,561
More than three months but not more than one year	23,750	22,357
More than one year	13,000	8,315
	<b>65,994</b>	58,874

The normal credit period granted by the Group to individual subscribers and general corporate customers is thirty days from the date of billing unless they meet certain specified credit assessment criteria. For major corporate customers, the credit period granted by the Group is based on the service contract terms, normally not exceeding one year.

There is no significant concentration of credit risk with respect to customers receivables, as the Group has a large number of customers.

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## 28. ACCOUNTS RECEIVABLE (Continued)

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECLs. Except for those with significant balances and credit-impaired which are assessed individually, the Group uses practical expedient in estimating ECL on accounts receivable using a provision matrix for those assessed on collective basis. As the Group's historical credit loss experience indicate that there are different loss patterns for different customer types, the loss allowance based on past due status is distinguished between the Group's different customer types.

The following table provides information about the Group's exposure to credit risk and ECLs for accounts receivable as at 31 December 2025:

### For individual subscribers and general corporate customers

	Expected loss rate	Gross carrying amount	Loss allowance
Current (not past due)	9%	2,471	(222)
1-90 days past due	46%	1,167	(538)
91-180 days past due	89%	734	(653)
More than 180 days past due	100%	3,089	(3,089)
		7,461	(4,502)

### For major corporate customers

	Expected loss rate	Gross carrying amount	Loss allowance
Current (not past due)	3%	13,943	(350)
Within 1 year past due	13%	36,013	(4,610)
1-2 years past due	44%	15,983	(7,098)
2-3 years past due	66%	7,319	(4,860)
More than 3 years past due	94%	6,522	(6,102)
		79,780	(23,020)

## 28. ACCOUNTS RECEIVABLE (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for accounts receivable as at 31 December 2024:

### For individual subscribers and general corporate customers

	Expected loss rate	Gross carrying amount	Loss allowance
Current (not past due)	9%	2,556	(230)
1–90 days past due	46%	1,248	(574)
91–180 days past due	89%	726	(646)
More than 180 days past due	100%	2,813	(2,813)
		7,343	(4,263)

### For major corporate customers

	Expected loss rate	Gross carrying amount	Loss allowance
Current (not past due)	2%	14,146	(309)
Within 1 year past due	14%	33,770	(4,755)
1–2 years past due	49%	13,244	(6,490)
2–3 years past due	80%	4,864	(3,871)
More than 3 years past due	99%	4,180	(4,129)
		70,204	(19,554)

Expected loss rates are based on actual loss experience over past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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(All amounts in RMB millions unless otherwise stated)

## 28. ACCOUNTS RECEIVABLE (Continued)

The movement in the credit loss allowance in respect of accounts receivable during the year, is as follows:

	2025	2024 (Re-presented)
Balance, beginning of year	24,105	18,720
Allowance for the year	5,367	6,869
Written-off during the year	(1,487)	(1,484)
Balance, end of year	27,985	24,105

The creation and release of credit loss allowance for receivables have been recognised in the consolidated statement of income. Amounts charged to the allowance account are generally written-off when there is reliable evidence to indicate no expectation of recovering the receivables.

The maximum exposure to credit risk as of the date of the statement of financial position is the carrying value of accounts receivable mentioned above.

## 29. PREPAYMENTS AND OTHER CURRENT ASSETS

The nature of prepayments and other current assets, net of credit loss allowance, are as follows:

	Note	2025	2024 (Re-presented)
Prepaid services charges for transmission lines and electricity cables and other services		3,998	4,167
Prepaid power and water charges		625	608
Deposits and prepayments		3,602	3,669
VAT recoverable	(i)	9,164	10,374
Prepaid income tax expenses		917	59
Financial assets held under resale agreements	(ii)	4,003	5,000
Amounts due from ultimate holding company		4,926	5,068
Amounts due from related parties		132	132
Amounts due from Tower Company		72	81
Amounts due from domestic carriers		468	453
Others		3,764	3,713
		31,671	33,324

## 29. PREPAYMENTS AND OTHER CURRENT ASSETS (Continued)

- (i) VAT recoverable includes input VAT and prepaid VAT that is expected to be deducted within one year.
- (ii) Financial assets held under resale agreements are transactions where Finance Company acquires financial assets which will be resold at a predetermined price at a future date under resale agreements.

Prepayments and other current assets are expected to be recovered or recognised as expenses within one year.

As at 31 December 2025 and 2024, there was no significant impairment for the prepayments and other current assets.

## 30. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

### (a) Cash and cash equivalents

	2025	2024
Cash at bank and in hand	25,109	28,480

Cash and cash equivalents refer to all cash on hand and demand deposits, short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents include demand deposits and short term deposits with original maturity of three months for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates ranging from 0.01% to 1.00% (2024: 0.01% to 1.50%).

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**30. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)****(b) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Short-term bank loans (Note 38)	Long-term loans (Note 34)	Lease liabilities (Note 35)	Other borrowings	Total
<b>At 31 December 2024 (As previously reported)</b>	711	1,413	37,641	10,881	50,646
<b>Re-presentation</b>	—	1,442	—	(1,442)	—
<b>At 1 January 2025 (As re-presented)</b>	711	2,855	37,641	9,439	50,646
<b>Changes from financing cash flows:</b>					
Proceeds from loans	960	2,500	—	—	3,460
Repayment of short-term bank loans	(711)	—	—	—	(711)
Repayment of other obligations	—	—	—	(185)	(185)
Repayment of long-term loans	—	(897)	—	—	(897)
Capital element of lease rentals paid	—	—	(13,384)	—	(13,384)
Net deposits with Finance Company	—	—	—	1,999	1,999
Total changes from financing cash flows	249	1,603	(13,384)	1,814	(9,718)
<b>Exchange adjustments</b>	—	(3)	—	—	(3)
<b>Other changes:</b>					
Increase in lease liabilities from entering into new leases/lease modifications during the year	—	—	6,860	—	6,860
Decrease due to termination of lease contracts	—	—	(2,509)	—	(2,509)
Others	6	62	(4)	(62)	2
Total other changes	6	62	4,347	(62)	4,353
<b>At 31 December 2025</b>	966	4,517	28,604	11,191	45,278

### 30. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

#### (b) Reconciliation of liabilities arising from financing activities (Continued)

	Short-term bank loans (Note 38)	Long-term loans (Note 34)	Lease liabilities (Note 35)	Other borrowings	Total
<b>At 1 January 2024</b>	681	1,606	43,257	9,233	54,777
<b>Changes from financing cash flows:</b>					
Proceeds from bank loans	710	237	—	—	947
Loans from related parties	—	—	—	546	546
Repayment of short-term bank loans	(680)	—	—	—	(680)
Repayment of other obligations	—	—	—	(14)	(14)
Repayment of long-term loans	—	(440)	—	—	(440)
Capital element of lease rentals paid	—	—	(12,887)	—	(12,887)
Net deposits with Finance Company	—	—	—	999	999
Total changes from financing cash flows	30	(203)	(12,887)	1,531	(11,529)
<b>Exchange adjustments</b>	—	7	—	—	7
<b>Other changes:</b>					
Increase in lease liabilities from entering into new leases/lease modifications during the year	—	—	9,121	—	9,121
Decrease due to termination of lease contracts	—	—	(1,850)	—	(1,850)
Others	—	3	—	117	120
Total other changes	—	3	7,271	117	7,391
<b>At 31 December 2024</b>	711	1,413	37,641	10,881	50,646

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## 31. SHARE CAPITAL

<b>Issued and fully paid:</b>	<b>Number of shares millions</b>	<b>Share capital</b>
At 1 January 2024, at 31 December 2024 and at 31 December 2025	30,598	254,056

## 32. RESERVES

### (a) Movement in components of equity

#### The Company

	<b>Share capital</b>	<b>Investment revaluation reserve</b>	<b>Other reserve</b>	<b>Retained profits</b>	<b>Total equity</b>
Balance at 1 January 2024	254,056	(9,375)	572	16,658	261,911
Total comprehensive income for the year	—	119	—	18,694	18,813
Dividends relating to 2023 final	—	—	—	(4,088)	(4,088)
Dividends relating to 2024 interim	—	—	—	(7,591)	(7,591)
Balance at 31 December 2024	254,056	(9,256)	572	23,673	269,045
Total comprehensive (expense)income for the year	—	<b>(55)</b>	—	<b>10,924</b>	<b>10,869</b>
Dividends relating to 2024 final	—	—	—	<b>(4,779)</b>	<b>(4,779)</b>
Dividends relating to 2025 interim	—	—	—	<b>(8,693)</b>	<b>(8,693)</b>
Balance at 31 December 2025	<b>254,056</b>	<b>(9,311)</b>	<b>572</b>	<b>21,125</b>	<b>266,442</b>

### (b) Nature and purpose

#### (i) Statutory reserves

CUCL is registered as a foreign investment enterprise in the PRC. In accordance with the Articles of Association, it is required to provide for statutory reserves, which are appropriated from profit after tax but before dividend distribution.

CUCL is required to allocate at least 10% of its profit after tax determined under the PRC Company Law to the statutory reserve fund until the cumulative amounts reach 50% of the registered capital. The statutory reserve can only be used, upon approval obtained from the relevant authority, to offset accumulated losses or increase capital.

Accordingly, CUCL appropriated approximately RMB2,188 million (2024: approximately RMB1,897 million) to the statutory reserve fund for the year ended 31 December 2025.

## 32. RESERVES (Continued)

### (b) Nature and purpose (Continued)

#### (i) Statutory reserves (Continued)

Appropriation to the staff bonus and welfare fund is made at the discretion of the Board of Directors. The staff bonus and welfare fund can only be used for special bonuses or the collective welfare of the employees and cannot be distributed as cash dividends. Under HKFRS Accounting Standards, the appropriations to the staff bonus and welfare fund are charged to the consolidated statement of income as expenses incurred since any assets acquired through this fund belong to the employees. For the years ended 31 December 2025 and 2024, no appropriation to staff bonus and welfare fund has been made by CUCL.

According to the PRC tax approval document issued by the MOF and the SAT of the PRC, the upfront connection fees were not subject to the PRC enterprise income tax and an amount equal to the upfront connection fees recognised in the retained profits shall be transferred from retained profits to the statutory reserve. As at 31 December 2011, an accumulated appropriation of approximately RMB12,289 million was made to the statutory reserve and no more upfront connection fees are recognised afterwards.

#### (ii) General risk reserve

CUCL and Unicom Group established the Finance Company to provide certain financial services. Pursuant to "Requirements on Impairment Allowance for Financial Institutions" (Caijin [2012] No. 20) issued by the MOF which is effective on 1 July 2012 (the "Document"), the Finance Company establishes a general risk reserve within the shareholders' equity, through appropriation of retained profits, to address unidentified potential losses relating to risk assets. The general risk reserve balance should not be less than 1.5% of the ending balance of risk assets, as defined in the Document.

#### (iii) Investment revaluation reserve

The investment revaluation reserve represents the changes in fair value of financial assets measured at FVOCI (non-recycling), net of tax, until the financial assets are derecognised.

#### (iv) Other reserves

Other reserve mainly represents the difference between the consideration and the net assets value for business combination of entities and businesses under common control, the effect of CUCL's capitalisation of retained profits, and capital contribution relating to share-based payment borne by A Share Company.

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## 33. DIVIDENDS

At the annual general meeting held on 30 May 2024, the shareholders of the Company approved the payment of a final dividend of RMB0.1336 per ordinary share for the year ended 31 December 2023, totalling approximately RMB4,088 million which has been reflected as a reduction of retained profits for the year ended 31 December 2024.

At a meeting held on 15 August 2024, the Board of Directors of the Company declared the payment of 2024 interim dividend of RMB0.2481 per ordinary share to the shareholders totalling approximately RMB7,591 million.

At the annual general meeting held on 29 May 2025, the shareholders of the Company approved the payment of a final dividend of RMB0.1562 per ordinary share for the year ended 31 December 2024, totalling approximately RMB4,779 million which has been reflected as a reduction of retained profits for the year ended 31 December 2025.

At a meeting held on 12 August 2025, the Board of Directors of the Company declared the payment of 2025 interim dividend of RMB0.2841 per ordinary share to the shareholders totalling approximately RMB8,693 million. At a meeting held on 19 March 2026, the Board of Directors of the Company proposed the payment of a final dividend of RMB0.1329 per ordinary share to the shareholders for the year ended 31 December 2025, totalling approximately RMB4,066 million. The proposed dividend has not been reflected as a dividend payable in the consolidated financial statements as at 31 December 2025, but will be reflected in the consolidated financial statements for the year ending 31 December 2026.

	2025	2024
Declared and paid interim dividend:		
RMB0.2841 (2024: RMB0.2481) per ordinary share by the Company	8,693	7,591
Proposed/paid final dividend:		
RMB0.1329 (2024: RMB0.1562) per ordinary share by the Company	4,066	4,779
	<b>12,759</b>	12,370

Pursuant to the PRC enterprise income tax law, a 10% withholding income tax is levied on dividends declared on or after 1 January 2008 by foreign investment enterprises to their foreign enterprise shareholders unless the enterprise investor is deemed as a PRC Tax Resident Enterprise ("TRE"). On 11 November 2010, the Company obtained an approval from the State Taxation Administration of the PRC, pursuant to which the Company qualifies as a PRC TRE from 1 January 2008. Therefore, as at 31 December 2025, the Company's subsidiaries in the PRC did not accrue for withholding tax on dividends distributed to the Company and there has been no deferred tax liability accrued in the Group's consolidated financial statements for the undistributed profits of the Company's subsidiaries in the PRC.

For the Company's non-PRC TRE shareholders (including HKSCC Nominees Limited), the Company would distribute dividends after deducting the amount of enterprise income tax payable by these non-PRC TRE shareholders thereon and reclassify the related dividend payable to withholding tax payable upon the declaration of such dividends. The requirement to withholding tax does not apply to the Company's shareholders appearing as individuals in its share register.

### 34. LONG-TERM LOANS

Interest rates and final maturity		2025	2024 (Re-presented)
<b>Long-term bank loans</b>			
RMB denominated bank loans	Interest rates ranging from 1.08% to 2.60% (2024: 1.08% to 2.56%) per annum with maturity through 2036 (2024: maturity through 2036)	2,656	1,274
US dollars denominated bank loans	Fixed interest rate is Nil (2024: Nil) per annum with maturity through 2040 (2024: maturity through 2039)	119	139
<b>Amounts due to ultimate holding company</b>			
RMB denominated loans	Interest rates are determined by subtracting a floating point from the one-year Loan Prime Rate ("LPR") published by the National Interbank Funding Center ("NIFC") with maturity through 2027 (31 December 2024: maturity through 2027)	1,742	1,442
Sub-total		4,517	2,855
Less: Current portion due within one year (long-term loans)		(589)	(727)
		3,928	2,128

As at 31 December 2025, long-term loans of approximately RMB26 million (2024: approximately RMB29 million) were guaranteed by third parties.

The repayment schedule of the long-term loans is as follows:

	2025	2024 (Re-presented)
Balances due:		
— No later than one year	589	727
— More than one year and no later than two years	772	584
— More than two years and no later than five years	2,170	1,263
— More than five years	986	281
	4,517	2,855
Less: Portion classified as current liabilities	(589)	(727)
	3,928	2,128

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## 35. LEASE LIABILITIES

At 31 December 2025 and 2024, the lease liabilities were repayable as follows:

	2025		2024	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
Within 1 year	12,469	12,668	13,419	13,747
After 1 year but within 2 years	10,421	10,994	10,851	11,494
After 2 years but within 5 years	4,824	5,364	12,118	13,431
After 5 years	890	1,517	1,253	1,784
	16,135	17,875	24,222	26,709
Total lease liabilities	28,604	30,543	37,641	40,456
Less: total future interest expenses		(1,939)		(2,815)
Present value of lease liabilities		28,604		37,641

The total cash outflow for leases incurred by the Group for the year ended 31 December 2025 was RMB25,834 million (2024: RMB23,635 million).

## 36. DEFERRED REVENUE

Deferred revenue mainly represents the unamortised portion of government grants.

	2025	2024
Balance at beginning of the year	8,229	9,212
Additions for the year		
— government grants	1,772	1,448
— others	1,059	1,170
Sub-total	2,831	2,618
Reductions for the year		
— recognition of government grants in profit or loss	(1,362)	(1,617)
— others	(1,673)	(1,984)
Sub-total	(3,035)	(3,601)
Balance at end of the year	8,025	8,229

### 37. OTHER OBLIGATIONS

	Note	2025	2024
One-off cash housing subsidies	(a)	2,493	2,493
Others	(b)	944	1,112
Sub-total		3,437	3,605
Less: Current portion		(2,509)	(2,495)
		928	1,110

#### (a) One-off cash housing subsidies

Certain staff quarters, prior to 1998, were sold to certain of the Group's employees at preferential prices, subject to a number of eligibility requirements. In 1998, the State Council issued a circular which stipulated that the sale of quarters to employees at preferential prices should be terminated. In 2000, the State Council issued a further circular stating that cash subsidies should be made to certain eligible employees following the withdrawal of the allocation of staff quarters. However, the specific timetable and procedures for the implementation of these policies were to be determined by individual provincial or municipal governments based on the particular situation of the provinces or municipality.

Based on the relevant detailed local government regulations promulgated, certain entities within the Group adopted cash housing subsidy plans. In accordance with these plans, for those eligible employees who had not been allocated with quarters or who had not been allocated with quarters up to the prescribed standards before the discounted sales of quarters were terminated, the Group determined to pay them one-off cash housing subsidies based on their years of service, positions and other criteria. Based on the available information, the Group estimated the required provision for these cash housing subsidies amounted to RMB4,142 million, which was charged to the consolidated statement of income for the year ended 31 December 2000 (the year in which the State Council circular in respect of cash subsidies was issued).

In January 2009, through the absorption of China Netcom (Group) Company Limited ("CNC China") by CUCL and the absorption of China Network Communications Group Corporation ("Netcom Group") by Unicom Group, the rights and obligations formerly undertaken by CNC China and Netcom Group were taken over by CUCL and Unicom Group separately. As at 31 December 2025, the Group's unpaid one-off cash housing subsidies amounted to approximately RMB2,493 million (31 December 2024: RMB2,493 million). If the actual payments required for these one-off housing subsidies differ from the amount provided, Unicom Group will bear any additional payments required. If the actual payments are lower than the amount provided, the difference will be paid to Unicom Group.

- (b) Others mainly include the balance of contributions from other investors of a subsidiary established by the Group (limited life entities) which were classified as financial liabilities by the Group.

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(All amounts in RMB millions unless otherwise stated)

## 38. SHORT-TERM BANK LOANS

Interest rates and final maturity		2025	2024
RMB denominated bank loans	Interest rates ranging from 1%–3.6% (2024: 1.10%–3.95%) per annum with maturity through 2026 (2024: maturity through 2025)	966	711

As at 31 December 2025 and 2024, all short-term bank loans were unsecured.

## 39. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024 (Re-presented)
Payables to contractors and equipment suppliers	88,250	92,319
Payables to telecommunications products suppliers	1,844	2,983
Customer/contractor deposits	5,056	5,204
Repair and maintenance expense payables	14,234	12,647
Salary and welfare payables	3,624	6,137
Amounts due to technical support services and other service providers/content providers	8,235	8,393
VAT received from customer in advance	2,761	2,323
Accrued expenses	21,541	20,394
Amounts due to ultimate holding company	2,904	1,540
Amounts due to related parties	14,383	13,447
Amounts due to Tower Company	6,216	5,649
Amounts due to domestic carriers	4,157	4,159
Others	13,883	12,967
	187,088	188,162

The aging analysis of accounts payable and accrued liabilities based on the billing date is as follows:

	2025	2024 (Re-presented)
Less than six months	150,945	146,919
Six months to one year	13,606	16,940
More than one year	22,537	24,303
	187,088	188,162

#### 40. MUTUAL INVESTMENT OF THE COMPANY AND TELEFÓNICA IN EACH OTHER

On 6 September 2009, the Company announced that in order to strengthen the cooperation between the Company and Telefónica, the parties entered into a strategic alliance agreement and a subscription agreement, pursuant to which each party conditionally agreed to invest an equivalent of US dollars 1 billion in each other through an acquisition of each other's shares.

On 23 January 2011, the Company entered into an agreement to enhance the strategic alliance with Telefónica that: (a) Telefónica would purchase ordinary shares of the Company for a consideration of US dollars 500 million through acquisition from third parties; and (b) the Company would acquire from Telefónica 21,827,499 ordinary shares of Telefónica held in treasury ("Telefónica Treasury Shares") for an aggregate purchase price of Euro374,559,882.84. On 25 January 2011, the Company completed the purchase of Telefónica Treasury Shares in accordance with the strategic agreement. During 2011, Telefónica completed its investment of US dollars 500 million in the Company.

On 14 May 2012, Telefónica declared a dividend. The Company chose to implement it by means of a scrip dividend and received 1,646,269 ordinary shares of approximately RMB146 million.

As at 31 December 2025, the related financial assets measured at FVOCI amounted to approximately RMB1,847 million (31 December 2024: approximately RMB1,902 million). For the year ended 31 December 2025, the decrease in fair value of the financial assets measured at FVOCI was approximately RMB55 million (2024: increase of approximately RMB119 million), has been recorded in the consolidated statement of comprehensive income.

#### 41. EQUITY-SETTLED SHARE OPTION SCHEMES

On 16 April 2014, the Company adopted a new share option scheme (the "2014 Share Option Scheme"). The 2014 Share Option Scheme is valid and effective for a period of 10 years commencing on 22 April 2014 and expired on 22 April 2024. No share options had been granted since adoption of the 2014 Share Option Scheme.

#### 42. RESTRICTED A-SHARE INCENTIVE SCHEME

##### The Phase II Restricted A-Share Incentive Scheme

Pursuant to the share incentive scheme (Phase II) of A Share Company (the "Phase II Restricted A-Share Incentive Scheme"), approximately 838 million restricted shares of A Share Company (the "Phase II Restricted Shares") were approved for granting to the core employees of the Group, the granted Phase II Restricted Shares of 838,340,000 were subscribed by the participants, including certain core employees of the Company's subsidiaries on 1 November 2022 (the "Grant Date"), with a subscription price of RMB2.48 per share. The fair value of the Phase II Restricted Shares granted under the Grant Date is RMB0.93 per share, as determined based on the difference between the market price of A Share Company of RMB3.41 per share at the Grant Date, and the subscription price of RMB2.48 per share.

The Phase II Restricted Shares are subject to various lock-up periods (the "Lock-Up Period II") of approximately 2 years, 3 years and 4 years, respectively, immediately from the Grant Date. During the Lock-Up Period II, these shares are not transferrable, nor subject to any guarantee or indemnity. The Phase II Restricted Shares shall be unlocked (or repurchased and cancelled by A Share Company) separately in three tranches in proportion of 40%, 30% and 30% of the total number of the Phase II Restricted Shares granted upon the expiry of each of the Lock-Up Period II.

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## 42. RESTRICTED A-SHARE INCENTIVE SCHEME (Continued)

### The Phase II Restricted A-Share Incentive Scheme (Continued)

Subject to fulfilment of all service and performance conditions under the Phase II Restricted A-Share Incentive Scheme which include the achievement of certain revenue and profit targets of A Share Company, the participants' individual performance appraisal, etc. (collectively referred to as "vesting conditions"), the restriction over the Phase II Restricted Shares will be removed after the expiry of the corresponding Lock-Up Period II for each tranche and the participants will be fully entitled to these incentive shares. If the vesting conditions are not fulfilled and hence the Phase II Restricted Shares cannot be unlocked, A Share Company shall repurchase the Phase II Restricted Shares based on the lower of the subscription price from the participants and the market price at the time of repurchase.

For the year ended 31 December 2025, with the fulfillment of the vesting conditions, the Phase II Restricted Shares of 0 (2024: 314,488,200) were approved for unlocking after the expiry of the Lock-Up Period II by the Board of Directors of A Share Company.

For the year ended 31 December 2025, the Group recognised share-based payment expenses and other reserves of RMB118 million under the Phase II Restricted A-Share Incentive Schemes (2024: RMB247 million).

For the year ended 31 December 2025, the Phase II Restricted Shares of 22,841,600 (2024: Shares of 3,411,000) were forfeited.

## 43. MATERIAL RELATED PARTY TRANSACTIONS

Unicom Group is a state-owned enterprise directly controlled by the PRC government. The PRC government is the Company's ultimate controlling party. Neither Unicom Group nor the PRC government publishes financial statements available for public use.

The PRC government controls a significant portion of the productive assets and entities in the PRC. The Group provides telecommunications services as part of its retail transactions, thus, is likely to have extensive transactions with the employees of other state-owned enterprises, including their key management personnel and their close family members. These transactions are carried out on commercial terms that are consistently applied to all customers.

Management considers certain state-owned enterprises have material transactions with the Group in its ordinary course of business, which include but not limited to 1) rendering and receiving telecommunications services, including interconnection revenue/charges; 2) sharing certain telecommunications network infrastructure; 3) purchasing of goods, including use of public utilities; and 4) placing of bank deposits and borrowing money. The Group's telecommunications network depends, in large part, on interconnection with the network and on transmission lines service provided by other domestic carriers. These transactions are mainly carried out on terms comparable to those conducted with third parties or standards promulgated by relevant government authorities and have been reflected in the financial statements. Amounts due from domestic carriers are all derived from contracts with customers.

Management believes that meaningful information relating to related party transactions has been disclosed below.

### 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### 43.1 Connected transactions with Unicom Group and its subsidiaries other than the Group (“Unicom Group and its subsidiaries”)

##### (a) Recurring transactions

The following is a summary of significant recurring transactions carried out by the Group with Unicom Group and its subsidiaries. In the directors’ opinion, these transactions were carried out in the ordinary course of business.

The following transactions with Unicom Group and its subsidiaries constitute continuing connected transactions under the Listing Rules. The Company has complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules. Further details of these continuing connected transactions are disclosed under the paragraph “Continuing Connected Transactions” in the Report of Directors.

	Note	2025	2024
Transactions with Unicom Group and its subsidiaries:			
Charges for value-added telecommunications services	(i), (ii)	93	128
Rental charges for short-term property leasing and related services	(i), (iii)	1,151	1,131
Charges for use of telecommunications resources and related services	(i), (iv)	232	215
Charges for engineering design and construction and IT services	(i), (v)	384	230
Charges for shared services	(i), (vi)	77	77
Charges for materials procurement services	(i), (vii)	7	4
Charges for ancillary telecommunications services	(i), (viii)	94	141
Charges for comprehensive support services	(i), (ix)	512	501
Income from comprehensive support services	(i), (ix)	325	240
Income from short-term property leasing services	(i), (iii)	41	—
Lending by Finance Company to Unicom Group and its subsidiaries	(i), (xi)	4,900	8,400
Repayment of loans lending by Finance Company to Unicom Group and its subsidiaries	(i), (xi)	5,000	8,000
Fee and interest income from lending services	(i), (xi)	98	129
Income from other financial services	(i), (xi)	2	2
Net deposits with Finance Company	(i), (xi)	2,033	996
Interest expenses on the deposits in Finance Company	(i), (xi)	140	124
Interest expenses on unsecured entrusted loans	(xii)	28	21
Lending from Unicom Group and its subsidiaries	(xii)	829	546

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## 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### 43.1 Connected transactions with Unicom Group and its subsidiaries other than the Group (“Unicom Group and its subsidiaries”) (Continued)

#### (a) Recurring transactions (Continued)

- (i) On 28 October 2022, CUCL and Unicom Group entered into the “2023–2025 Comprehensive Services Agreement”, and Finance Company and Unicom Group entered into the “2023–2025 Financial Services Agreement”. Pursuant to the “2023–2025 Comprehensive Services Agreement”, CUCL and Unicom Group agreed to provide services to each other or by one to the other, including (i) use of telecommunications resources; (ii) property leasing; (iii) value-added telecommunications services; (iv) materials procurement services; (v) engineering design and construction and IT services; (vi) ancillary telecommunications services; (vii) comprehensive support services and (viii) shared services. Pursuant to the “2023–2025 Financial Services Agreement”, Finance Company agreed to provide financial services to Unicom Group. On 18 September 2025, CUCL and Unicom Group entered into the “2026–2028 Comprehensive Services Agreement”, and Finance Company and Unicom Group entered into the “2026–2028 Financial Services Agreement”.
- (ii) UNISK (Beijing) Information Technology Corporation Limited (“UNISK”) agreed to provide the mobile subscribers of CUCL with various types of value-added services through its cellular communications network and data platform. The Group retains a portion of the revenue generated from the value-added services provided to the Group’s subscribers (and actually received by the Group) and allocates a portion of such fees to UNISK for settlement, on the condition that such proportion allocated to UNISK does not exceed the average proportion allocated to independent value-added telecommunications content providers who provide value-added telecommunications content to the Group in the same region. The percentage of revenue to be allocated to UNISK by the Group varies depending on the types of value-added service provided to the Group.
- (iii) CUCL and Unicom Group agreed to mutually lease properties and ancillary facilities from each other. Rentals are based on the lower of the market rates and the depreciation costs and taxes. In addition to the above amount, the Group recognised a total addition of right-of-use asset of RMB260 million resulting from the properties leased (lease term exceeds 12 months) in 2025 (RMB108 million resulting from the properties leased (lease term exceeds 12 months) in 2024).

## 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### 43.1 Connected transactions with Unicom Group and its subsidiaries other than the Group (“Unicom Group and its subsidiaries”) (Continued)

#### (a) Recurring transactions (Continued)

- (iv) CUCL was agreed to use certain international telecommunications resources (including international telecommunications channel gateways, international telecommunications service gateways, international submarine cable capacity, international land cables and international satellite facilities) and certain other telecommunications facilities of Unicom Group for its operations. The charges for the use of international telecommunications resources and other telecommunications facilities are based on the annual depreciation and amortisation charges of such resources and facilities provided that such charges would not be higher than market rates. For maintenance service to the telecommunications facilities aforementioned, unless otherwise agreed by CUCL and Unicom Group, such maintenance service charges would be borne by CUCL and determined with reference to market rates or a cost-plus basis if there are no market rates.
- (v) Unicom Group agreed to provide engineering design, construction and supervision services and IT services to CUCL. The charges payable by CUCL for the above services are determined with reference to the market price and are settled when the relevant services are provided.
- (vi) Unicom Group and CUCL agreed to provide shared services to each other and would share the costs related to the shared services proportionately in accordance with their respective total assets value with certain adjustments. For the years ended 31 December 2025 and 2024, the services charges paid by Unicom Group to CUCL was negligible.
- (vii) Unicom Group agreed to provide comprehensive procurement services for imported and domestic telecommunications materials and other domestic non-telecommunications materials to CUCL. Unicom Group has also agreed to provide services on management of tenders, verification of technical specifications, installation, consulting and agency services. In addition, Unicom Group will sell materials to CUCL and resell the equipment purchased from the third parties, and will also provide storage and logistics services in relation to the above materials procurement. The charges payable by CUCL to Unicom Group are based on contract values, market rates, government guidance price or cost-plus basis where applicable.
- (viii) Unicom Group agreed to provide ancillary telecommunications services to CUCL. These services include certain telecommunications pre-sale, on-sale and after-sale services such as assembling and repairing of certain telecommunications equipment, sales agency services, printing and invoice delivery services, maintenance of telephone booths, customers acquisitions and servicing and other customers’ service. The charges are based on market rates, government guidance price or cost-plus basis and are settled as and when the relevant services are provided.

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## 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### 43.1 Connected transactions with Unicom Group and its subsidiaries other than the Group (“Unicom Group and its subsidiaries”) (Continued)

#### (a) Recurring transactions (Continued)

- (ix) Unicom Group and CUCL agreed to provide comprehensive support services to each other, including dining services, facilities leasing services, vehicle services, health and medical services, labour services, security services, hotel and conference services, gardening services, decoration and renovation services, construction agency, equipment maintenance services, market development, sanitary services, parking services, staff trainings, storage services, advertising services, marketing, property management services.

CUCL agreed to provide comprehensive services to Unicom Group, including sales services, technical support services, research and development services, communication services and communications technology services (including construction and installation services, system integration services, software development, product sales and agent services, operation and maintenance services, and consultation services).

The charges are based on market rates, government guidance price or cost-plus basis and are settled as and when the relevant services are provided.

- (x) Unicom Group is the registered proprietor of the “Unicom” trademark in English and the trademark bearing the “Unicom” logo, which are registered at the PRC State Trademark Bureau. Pursuant to an exclusive PRC trademark licence agreement between Unicom Group and the Group, the Group has been granted the right to use these trademarks on a royalty free and renewal basis.
- (xi) Finance Company has agreed to provide financial services to Unicom Group and its subsidiaries, including deposit services, lending and other credit services, and other financial services.

For the deposit services from Finance Company to Unicom Group and its subsidiaries, the maximum and minimum deposit interest rates will follow the provisions of the PBOC for deposits of the same period and the same type, and be determined with reference to the interest rate for the same period and same type of deposit offered to Unicom Group by the major cooperative commercial banks of Unicom Group and/or offered by Finance Company to other client, and will be on normal commercial terms.

For the lending services from Finance Company to Unicom Group and its subsidiaries, the interest rate will follow the relevant provisions of the PBOC, which will be based on LPR and be determined with reference to the interest rate for the same period and same type of lending and other credit services offered to the same type of corporations by the major cooperative commercial bank of Unicom Group and/or offered by Finance Company to its other clients, and will be on normal commercial terms.

## 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### 43.1 Connected transactions with Unicom Group and its subsidiaries other than the Group (“Unicom Group and its subsidiaries”) (Continued)

#### (a) Recurring transactions (Continued)

- (xii) These transactions are related to the unsecured entrusted loans and related interest expenses from Unicom Group and its subsidiaries (see Note 43.1 (c)). These transactions are conducted on normal commercial terms or better and are fully exempted from compliance with the reporting, announcement, independent shareholders’ approval and/or annual review requirements under Rules 14A.90 of the Listing Rules.

#### (b) Amounts due from Unicom Group and its subsidiaries

Amounts due from Unicom Group as at 31 December 2025 included loans from Finance Company to Unicom Group of RMB4,900 million in total with respective floating interest rate of LPR published by the NIFC (2024: RMB5,000 million in total with respective floating interest rate of LPR published by NIFC). This amount was included in the amounts due from ultimate holding company in Note 29.

#### (c) Amounts due to Unicom Group and its subsidiaries

Amounts due to Unicom Group and its subsidiaries as at 31 December 2025 included a balance of deposits received by Finance Company from Unicom Group and its subsidiaries as well as related interest payable amounting to RMB10,691 million (31 December 2024: RMB8,649 million) with interest rates ranging from 0.12% to 2.75% (2024: 0.42% to 2.75%) per annum for saving and deposits of different terms. This amount was included in the amounts due to ultimate holding company and amounts due to related parties in Note 39.

Amounts due to Unicom Group and its subsidiaries as at 31 December 2025 included unsecured entrusted loans from Unicom Group of RMB1,696 million (31 December 2024: RMB1,206 million) with a maturity period of 3 years and unsecured entrusted loans from Unicom Group of RMB46 million (31 December 2024: RMB221 million) with a maturity period of 2 years. Interest rates of these loans are determined by subtracting a floating point from the one-year LPR published by NIFC and are adjusted quarterly.

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## 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### 43.2 Transactions with associates and joint ventures of Unicom Group and its subsidiaries

The Group has entered into transactions with associates and joint ventures of Unicom Group and its subsidiaries based on terms comparable to terms of transactions entered with other entities. In the directors' opinion, these transactions were carried out in the ordinary course of business.

The following transactions with associates and joint ventures of Unicom Group and its subsidiaries constitute continuing connected transactions under the Listing Rules, unless otherwise stated. The Company has complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules. Further details of these continuing connected transactions are disclosed under the paragraph "Continuing Connected Transactions" in the Report of Directors.

	2025	2024
Transactions with associates and joint ventures of Unicom Group and its subsidiaries:		
Charges for use of telecommunications resources and related services	1	2
Charges for engineering design and construction and IT services	561	714
Charges for materials procurement services	18	32
Charges for ancillary telecommunications services	986	953
Charges for comprehensive support services	253	241
Income from comprehensive support services	33	38

In addition to the above amounts, the Group has also entered into related party transactions with associates and joint ventures of Unicom Group which do not meet the definition of connected person and connected transactions under Chapter 14A of the Listing Rules in 2025. These transactions include:

	2025	2024
Transactions with associates and joint ventures of Unicom Group and its subsidiaries:		
Rental charges for short-term property leasing and related services	13	10
Charges for use of telecommunications resources and related services	21	3
Charges for engineering design and construction and IT services	2,471	3,356
Charges for materials procurement services	20	42
Charges for ancillary telecommunications services	2,614	2,555
Charges for comprehensive support services	1,256	876
Income from comprehensive support services	660	821

## 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### 43.3 Material transactions with associates and joint ventures of the Group

The following is a summary of material transactions entered into by the Group with the associates and joint ventures of the Group. In the directors' opinion, these transactions were carried out in the ordinary course of business.

	Notes	2025	2024
Transactions with associates and joint ventures of the Group:			
Revenue from engineering design and construction services	(i)	623	527
Related costs for use of tower assets	(ii)	19,413	21,206
Additions of right-of-use assets	(ii)	2,359	3,582
Revenue from value-added telecommunications services		787	869
Charges for value-added telecommunications services		836	1,093
Charges for materials procurement services		24	22
Net deposits with Finance Company		(44)	1
Interest expenses on the deposits in Finance Company		1	1

#### (i) Engineering design and construction services

The Group provided engineering design and construction services to Tower Company.

#### (ii) Lease of the tower assets and other related services

On 8 July 2016, CUCL and Tower Company entered into a framework agreement to confirm the pricing and related arrangements in relation to the usage of certain telecommunications towers and related assets (the "Agreement"). The Agreement finalised terms including assets categories, pricing basis for usage charges, and relevant service period etc. Provincial service agreements and detailed lease confirmation for specified towers have been signed subsequently.

On 31 January 2018, after further arm's length negotiations and discussions, CUCL and Tower Company agreed on certain supplementary provisions based on the Agreement dated 8 July 2016, which mainly relate to a reduction in cost-plus margin of Tower Company which forms the benchmark for pricing and an increase in co-tenancy discount rates offered to the Group regarding towers under co-sharing arrangements. The new terms applicable to the leased tower portfolio as confirmed by both parties are effective from 1 January 2018 for a period of five years.

On 13 December 2022, the Board of Directors of the Company approved CUCL and Tower Company to sign the commercial pricing agreement and the service agreement, and the material terms of the commercial pricing agreement and the service agreement have been agreed and finalised, in which CUCL leases assets and receives services provided by Tower Company, including tower products, indoor distribution system products, transmission products and service products. The agreements further reduced the products pricing and increased the co-tenancy discount rates offered to the Group. The term of each of the commercial pricing agreement and the service agreement is five years, effective from 1 January 2023 to 31 December 2027.

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## 43. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### 43.3 Material transactions with associates and joint ventures of the Group (Continued)

#### (ii) Lease of the tower assets and other related services (Continued)

Based on HKFRS 16, the Group recognised additions of right-of-use assets in 2025 amounting to RMB2,359 million (2024: RMB3,582 million). Related costs for use of tower assets include the depreciation of right-of-use assets of RMB7,819 million (2024: RMB7,923 million), interest expense of RMB803 million (2024: RMB1,104 million), and variable lease payments and other related service charges of RMB10,791 million (2024: RMB12,179 million) in the consolidated statement of income for the year ended 31 December 2025. The outstanding balances with the associates and joint ventures of the Group are summarised as follows:

	Note	31 December 2025	31 December 2024
Amounts due from related parties		495	418
Amounts due to related parties	(iii)	16,067	16,572

#### (iii) Amounts due to Tower Company

The related accounts payable and bills payable balance (exclude lease liabilities) to Tower Company included in the balance of amounts due to related parties as at 31 December 2025 was RMB15,156 million (31 December 2024: RMB15,817 million). Except as mentioned in Note 43.3(ii), amounts due from/to Tower Company are unsecured, interest-free, repayable on demand/on contract terms with Tower Company as described above.

## 44. CONTINGENCIES AND COMMITMENTS

### 44.1 Capital commitments

As at 31 December 2025 and 2024, the Group had capital commitments, mainly in relation to the construction of telecommunications network, as follows:

	2025			2024		
	Land and buildings	Equipment	Total	Land and buildings	Equipment	Total
Authorised and contracted for	8,159	64,291	72,450	4,461	50,314	54,775
	8,159	64,291	72,450	4,461	50,314	54,775

### 44.2 Legal contingencies

The Group is a defendant in certain lawsuits as well as the named party in other proceedings arising in the ordinary course of business. Management has assessed the likelihood of an unfavourable outcome of such contingencies, lawsuits or other proceedings and based on such assessment, believes that any resulting liabilities will not have a material adverse effect on the financial position, operating results or cash flows of the Group.

## 45. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2025	2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Equipment	3	2
Investments in subsidiaries	249,773	249,773
Right-of-use assets	22	37
Financial assets measured at fair value	1,847	1,902
	<b>251,645</b>	251,714
<b>Current assets</b>		
Amounts due from subsidiaries	—	1
Dividend receivable	13,509	16,548
Prepayments and other current assets	235	227
Cash and cash equivalents	1,151	630
	<b>14,895</b>	17,406
<b>Total assets</b>	<b>266,540</b>	269,120
<b>EQUITY</b>		
Share capital	254,056	254,056
Reserves	(8,739)	(8,684)
Retained profits		
— Proposed final dividend	4,066	4,779
— Others	17,059	18,894
<b>Total equity</b>	<b>266,442</b>	269,045

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in RMB millions unless otherwise stated)

## 45. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

	As at 31 December	
	2025	2024
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	8	22
Other non-current liabilities	4	4
	<b>12</b>	26
<b>Current liabilities</b>		
Lease liabilities	15	15
Accounts payable and accrued liabilities	17	17
Other current liabilities	54	17
	<b>86</b>	49
<b>Total liabilities</b>	<b>98</b>	75
<b>Total equity and liabilities</b>	<b>266,540</b>	269,120
<b>Net current assets</b>	<b>14,809</b>	17,357
<b>Total assets less current liabilities</b>	<b>266,454</b>	269,071

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 19 March 2026 and signed on behalf of the Board of Directors by:

**Dong Xin**

*Chairman and Chief Executive Officer*

**Li Yuzhuo**

*Executive Director and Chief Financial Officer*

## 46. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

### 1. Proposed final dividend

After the date of the statement of financial position, the Board of Directors proposed a final dividend for the year of 2025. For details, please refer to Note 33.

### 2. Adjustments to the Scope of Application of VAT Categories for Telecommunications Services

In January 2026, The Ministry of Finance and the State Taxation Administration of the People's Republic of China issued the "Announcement on Matters Relating to the Specific Scope of Value-Added Tax Categories" (Announcement of the Ministry of Finance and the State Taxation Administration No. 9 of 2026) (《關於增值稅徵稅具體範圍有關事項的公告》(財政部 稅務總局公告2026年第9號)), which stipulates that starting from 1 January 2026, within the territory of the People's Republic of China, the tax categories applicable to business activities involving the provision of mobile data services, SMS and MMS services, and Internet broadband access services through the use of fixed-line networks, mobile networks, satellites and the Internet, is adjusted from value-added telecommunications services to basic telecommunications services, and the corresponding VAT rate adjusted from 6% to 9%. This adjustment to the scope of application of tax categories will have an impact on the revenue and profit of the Company.

## 47. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 19 March 2026.

# Financial Summary

For the five-year ended 31 December 2025

(All amounts in RMB millions, except per share data)

Selected financial summary for 2021 to 2025, including selected consolidated statement of income data and consolidated statement of financial position data for 2021, 2022, 2023, 2024 and 2025 were prepared in accordance with HKFRSs.

## RESULTS

### Selected Statement of Income Data

	2025	2024	2023	2022	2021
Revenue	392,223	389,589	372,597	354,944	327,854
Interconnection charges	(11,035)	(11,224)	(11,294)	(10,947)	(11,557)
Depreciation and amortisation	(80,831)	(83,392)	(84,847)	(86,829)	(85,652)
Network, operation and support expenses	(65,226)	(64,320)	(60,026)	(56,425)	(53,087)
Employee benefit expenses	(66,551)	(64,931)	(62,939)	(60,726)	(58,944)
Costs of telecommunications products sold	(42,937)	(42,466)	(36,403)	(34,720)	(30,683)
Other operating expenses	(107,052)	(107,223)	(102,123)	(92,957)	(77,263)
Finance costs	(1,276)	(1,784)	(1,981)	(1,095)	(1,385)
Interest income	1,771	1,981	2,105	1,747	1,215
Share of net profit of associates	2,668	2,592	2,519	2,153	1,862
Share of net profit of joint ventures	1,487	1,481	1,803	1,593	1,448
Other income — net	2,212	4,951	3,534	3,850	4,119
<b>Profit before income tax</b>	<b>25,453</b>	25,254	22,945	20,588	17,927
Income tax expenses	(4,543)	(4,521)	(4,023)	(3,751)	(3,420)
<b>Profit for the year</b>	<b>20,910</b>	20,733	18,922	16,837	14,507
<b>Profit attributable to:</b>					
Equity shareholders of the Company	20,816	20,613	18,726	16,745	14,368
Non-controlling interests	94	120	196	92	139
<b>Profit for the year</b>	<b>20,910</b>	20,733	18,922	16,837	14,507
<b>Earnings per share for profit attributable to equity shareholders of the Company during the year:</b>					
Basic earnings per share (RMB)	0.68	0.67	0.61	0.55	0.47
Diluted earnings per share (RMB)	0.68	0.67	0.61	0.55	0.47

**RESULTS (Continued)****Selected Statement of Financial Position Data**

	<b>2025</b>	2024 (Re-presented)	2023 (Re-presented)	2022 (Re-presented)	2021 (Re-presented)
Property, plant and equipment	<b>345,611</b>	351,530	355,995	352,433	355,031
Right-of-use assets	<b>38,665</b>	47,522	52,608	59,227	32,866
Financial assets measured at fair value	<b>26,530</b>	13,817	29,645	23,702	32,726
Long-term bank deposits	<b>15,580</b>	15,185	—	—	—
Cash and cash equivalents	<b>25,109</b>	28,480	47,733	55,297	34,280
Other current asset	<b>122,452</b>	121,170	85,940	71,353	62,937
Other non-current asset	<b>95,671</b>	93,533	89,130	80,651	73,236
<b>Total assets</b>	<b>669,618</b>	671,237	661,051	642,663	591,076
Short-term bank loans	<b>966</b>	711	681	502	385
Commercial papers	—	—	—	5,025	6,875
Long-term loans	<b>4,517</b>	2,855	2,487	2,938	2,949
Lease liabilities	<b>28,604</b>	37,641	43,257	48,924	22,559
Other current liabilities	<b>252,966</b>	255,815	249,977	231,738	216,409
Other non-current liabilities	<b>11,698</b>	10,645	10,751	10,000	8,466
<b>Total liabilities</b>	<b>298,751</b>	307,667	307,153	299,127	257,643
<b>Total equity</b>	<b>370,867</b>	363,570	353,898	343,536	333,433

# Corporate Information

## **BOARD OF DIRECTORS** (As At 19 March 2026)

### **Executive Directors**

Dong Xin *Executive Director, Chairman and Chief Executive Officer*

Jian Qin *Executive Director and President*

Tang Yongbo *Executive Director*

Li Yuzhuo *Executive Director and Chief Financial Officer*

### **Independent Non-Executive Directors**

Cheung Wing Lam Linus

Chung Shui Ming Timpson

Law Fan Chiu Fun Fanny

Fan Chun Wah Andrew

### **Audit Committee**

Chung Shui Ming Timpson (*Chairman*)

Cheung Wing Lam Linus

Law Fan Chiu Fun Fanny

Fan Chun Wah Andrew

### **Remuneration Committee**

Cheung Wing Lam Linus (*Chairman*)

Chung Shui Ming Timpson

Fan Chun Wah Andrew

### **Nomination Committee**

Chung Shui Ming Timpson (*Chairman*)

Dong Xin

Law Fan Chiu Fun Fanny

## **COMPANY SECRETARY**

Chan Ngar Wai

## **AUDITOR**

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

## **LEGAL ADVISORS**

Freshfields Bruckhaus Deringer

## **REGISTERED OFFICE**

75th Floor,

The Center, 99 Queen's Road Central,

Hong Kong

Tel: (852) 2126 2018

## **MAJOR SUBSIDIARY**

China United Network Communications Corporation Limited

No. 21 Financial Street,

Xicheng District, Beijing 100033, P.R.C.

## **SHARE REGISTRAR**

Computershare Hong Kong Investor Services Limited

Shops 1712–1716,

17th Floor, Hopewell Centre,

183 Queen's Road East,

Wanchai, Hong Kong

Tel: (852) 2862 8555

Fax: (852) 2865 0990

Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)

## **PUBLICATIONS**

Financial reports, announcements, press releases and other investor information on the Company are available to access electronically via the Company's website.

## **STOCK CODE**

Hong Kong Stock Exchange: 762

## **COMPANY WEBSITE**

[www.chinaunicom.com.hk](http://www.chinaunicom.com.hk)

# Corporate Culture

## OUR STRATEGY

Adhere to the principles of upholding integrity and innovation,  
Focusing on main responsibilities and main businesses,  
Taking "Preserve and Innovate, Steady and Far-reaching" as the main keynote  
for the Company's development during the "15th Five-Year" period,  
Focusing on the core arenas of "connectivity", "computing power", "service", and  
"security".

## OUR VISION

A world-class technology service enterprise with global competitiveness

## OUR MISSION

The leading contributor of digital information operation and services  
The pioneer of digital technology integration and innovation

## CORPORATE STYLE

Rigorous, Pragmatic, Skillful, Meticulous, Efficient

**CHINA UNICOM (HONG KONG) LIMITED**

75th Floor, The Center, 99 Queen's Road Central, Hong Kong

Tel : (852) 2126 2018

[www.chinaunicom.com.hk](http://www.chinaunicom.com.hk)

