中国联通
China unicom

STEADY Far-Reaching

守正創新　行穩致遠

Contents

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.

Chairman's Statement

Dear Shareholders,

So far this year, the Company has faced new opportunities and challenges, and adhered to "Preserve and Innovate, Steady and Far-reaching", focusing on the four major arenas of "connectivity", "computing power", "service", and "security". We strived to promote high-quality development, leading to more solid operational foundation, stronger growth momentum, enhanced reform vitality and improving quality and efficiency.

Dong Xin
Chairman and Chief Executive Officer

BUILDING A HEALTHY FOUNDATION WITH NEW PARADIGM FOR VALUE MANAGEMENT TO PROMOTE HIGH-QUALITY DEVELOPMENT

The Company takes "healthiness" as the foundation for navigating industry cycles. We coordinate short-term and long-term goals, and adhere to value-based operations. Our fundamentals are becoming increasingly solid, our financial performance is more resilient, and our development is more sustainable.

Financial performance to stabilise and gain momentum. Revenue performance was stable in the first half of the year. Against a backdrop where the overall industry growth was facing challenges, our operating revenue reached RMB201.4 billion, representing a year-on-year increase of 0.6%. Service revenue was RMB178.0 billion, representing a year-on-year decrease of 0.2%. Profitability was under short-term pressure, with profit before income tax of RMB11.3 billion and profit attributable to equity shareholders of the Company of RMB9.5 billion, representing a year-on-year decrease of 34.6%. The temporary profit volatility stemmed from multiple factors. In addition to value-added tax (VAT), the change in the timing of employee benefit expenses spending was an important reason. For the full year, employee benefit expenses are expected to remain stable, with profit contraction narrowing significantly[1]. Cash flow was healthy and improving, with net operating cash reaching RMB32.9 billion, representing a year-on-year increase of 13.6%, setting a new record in recent years. The growth rate of accounts receivable slowed significantly compared to the same period last year.

Business structure is improving and shifting towards new businesses. Connectivity value has stabilised and improved, with the value of new subscribers higher than that of existing subscribers. The integrated subscriber penetration exceeded 78% and integrated package ARPU remained above RMB100. Computing power momentum accelerated to be unleashed, with computing power revenue[2] reaching RMB41.9 billion, representing a year-on-year increase of 13%. Within this, IDC revenue increased by 11% year-on-year, and computing service revenue increased by 9% year-on-year. Internationalisation fully accelerated and became a new growth driver. International business revenue reached RMB7.7 billion, representing a year-on-year increase of 14%.

Precise and efficient investment. Adhering to lean management and continuously improving return efficiency, capital expenditure in the first half of the year was RMB24.1 billion. We implemented the "Six Networks" deployment, strengthening the computing power network and next-generation telecommunication network. Computing power investment mix increased to 37%, with the absolute amount rising by over 80% year-on-year. We deepened network co-build co-share and promoted intelligent network operation and maintenance, effectively controlling costs while the network scale continued to grow. Unit energy consumption per site improved by 4.8% year-on-year.

SHAPING A VIBRANT CHARACTER AND DEFINING NEW MANAGEMENT RULES TO STIMULATE INTERNAL VITALITY AND MOMENTUM

The Company takes "vibrancy" as the character for accelerating innovative transformation. We continuously advanced reforms in our organisational structure, product system, and operating mechanisms, enhancing efficiency in management, operation and service, to ensure persistent vibrancy in China Unicom.

We deepened institutional reform to be "unbreakable only if united". We promoted institutional reform across the entire group, adhering to the principle of "One China Unicom" and "lean management and strong operations". We focused on product innovation and brand building, aimed to resolve customers' full-scenario and full-chain problems, regarded computing-network development as a key to technological innovation, strengthened the commercialisation and application of innovation achievements, and emphasised on ecological cooperation and capital empowerment, building an organisational system with more scientific institutional settings, optimised functional responsibilities, enhanced systems and mechanisms, and more efficient operational management. Following this reform, the number of management departments at the headquarters has been reduced by nearly 40%, conducive to clearing bottlenecks, streamlining hierarchies, improving efficiency, and further unleashing development vitality.

We optimised product formats to be "unbeatable only if fast". We comprehensively promoted the new "drag-and-drop" product format, breaking through the traditional packages. Through formats like "buffet" and "à la carte", we returned the choice to subscribers, overcoming commoditised competition with differentiated products. Since the launch of the Unicom Magic Cube product over three months ago, it has been sold to more than 1.5 million subscribers, bringing to them a brand new service experience. More new products integrating drag-and-drop features will be launched soon. We promoted the intelligent upgrade of products, and built a leading workflow AI agent platform — Unicom Yunxi — to help enterprise customers leverage AI as a production tool to reconstruct management and operation processes and unleash the value of data assets. We comprehensively adopted UniClaw AI agents, and accelerated the cloud-AI upgrades of Video Ringtones, Security Guardian and 5G New Calling, etc., revitalising smart living for individuals and families. To further enhance brand recognition and elevate brand value, we reshaped the Company's brand system. With "Care, Chinese Knot, and Ribbon", China Unicom is connected to thousands of households all the time.

Chairman's Statement

We innovated on token operations to be "unstoppable only with scale". We established token pricing rules that are compatible with different models, manage data elements, and integrate connectivity and security capabilities. We enhanced the full-process operational model for token creation, transmission, cleansing, storage and application. We upgraded the UniAI MaaS platform, which has integrated over 200 mainstream LLMs, accumulated more than 500 TB of high-quality datasets, and established a "Token Supermarket" with scale, in order to enhance token value density. We launched token plans for individuals and enterprises. Focusing on key industries including manufacturing, government affairs, healthcare and education, we developed a series of AI agents with considerable application value and mature business models, tapping into new potential of subscriber value growth.

PURSUING ROBUSTNESS AND GROWING STRONGER BY CREATING NEW DRIVERS FOR SUSTAINABLE DEVELOPMENT

Taking "robustness" as the pursuit of corporate development, the Company focuses on its core responsibilities and main businesses, serves national strategies and meets customer needs, accelerating its transformation into an "integrated digital service provider".

Broader and denser connectivity. Taking connectivity as our greatest asset, we expanded its scale, enriched its variety and enhanced its value, with the total connectivity scale[3] exceeding 1.3 billion. **We extended boundaries horizontally and broadened the breadth of connectivity.** For mobile network, we have formed a coverage system with ground-space synergy and air-ground integration. A total of 4.8 million 4G/5G base stations have been built with a population coverage rate exceeding 99%. Satellite communication services such as Tiantong direct-to-device and Beidou SMS have been launched nationwide. 10G-PON broadband port ratio reached 87%. **We renewed architecture in depth and solidified connectivity density.** Our 5G-A base stations covered over 330 cities, and commercial pilots of 10-gigabit optical networks have been launched in over 100 cities. A 400G all-optical intelligent computing network has been built between hubs and nodes. Our international submarine and terrestrial cable reserve capacity reached 333T, creating a high-speed information transmission highway across the border.

Faster and more precise computing power. With computing power as an innovation engine, we strengthened deployment for "Eastern Data, Western Computing", deepened the integration of computing power and green electricity, constructed 10,000-chip intelligent computing centres, and integrated into the national integrated computing power network, seizing new opportunities in the industry with new technological capabilities. Our intelligent computing power scale exceeded 45 EFLOPS. Currently, over 1.15 million standard cabinets[4] have been deployed across the entire network, and the utilisation rate exceeded 74%. The "Unicom Xingluo" advanced computing power allocation platform has been given a full-stack upgrade, achieving full-domain perception, intelligent allocation and efficient collaboration of computing power across the entire network. We implemented industry-leading cross-region mixed training and inference on heterogeneous GPUs in large-scale production scenarios. On this basis, we joined hands with supply chain partners to achieve significant breakthroughs in the field of superscale domestic intelligent computing power, and have been awarded the First Prize of the National Science and Technology Progress Award.

More tailored and refined service. We treat service as key to reaching customers and enhancing reputation, and refine it to specific scenarios. We leveraged digital intelligent capabilities to create high-quality services. We promoted intelligent and user-friendly services, with a smart customer service ratio of over 85%. With our core physical stores, we have built a dense network of convenient offline channels, along with over 100,000 partner merchants, helping to create a 15-minute convenient living circle. Integrating with new industrialisation, we served over 10,000 5G factories. The Gewu Platform managed more than 14 million devices and developed 75 industrial LLMs. Over 150 industry-specific AI agents have been launched, assisting in cost savings, efficiency and quality enhancement as well as carbon reduction. We strengthened Internet of Vehicles operating capabilities, serving over 100 million vehicles.

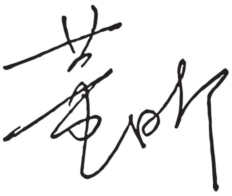
Stronger and more robust security. We demonstrate our mission, responsibility, and SOE image through security, persuading customers to turn to China Unicom whenever they want security. Our technical capabilities steadily strengthened. The "Mogong" platform was upgraded from single-tool deployment to complete intelligent operation. Over 100 security AI agents launched, driving security protection towards a new stage of AI autonomous defence. We sped up expansion in the security market, and signature products such as Unicom Shield and Secure Leased Line saw fast growth in scale, cumulatively serving 470,000 customers, representing a growth of nearly 30%. Supply in the ecosystem continued to accelerate. Over 250 products have been listed on Security Hub, the nation's first market platform for the security supply chain, representing a growth of over 25%, accelerating coverage across seven major product categories, leading to marked enhancement in support capabilities for the supply chain.

FULFILLING CORPORATE SOCIAL RESPONSIBILITY

We promoted green and low-carbon transformation and digital inclusion practices. We deepened co-build co-share, directly reducing carbon emissions by 13 million tonnes per year. Comprehensive energy consumption per unit of total telecommunications business volume decreased by more than 6% vs the end of 2025. We improved people's well-being by comprehensively promoting elderly-friendly and barrier-free services, benefiting nearly 5 million subscribers.

OUTLOOK

There is an ancient Chinese saying: "Concluding and commencing constitute change. Streaming and flowing lead the way." Looking ahead, we will adhere to "Preserve and Innovate, Steady and Far-reaching", serve as the "national team and backbone of the information and communication industry", and create greater value for our shareholders, customers, and the society!



Dong Xin
Chairman and Chief Executive Officer

Hong Kong, 18 August 2026

Note 1: This forecast is made by the Company based on the current external environment and actual operational circumstances, and does not constitute a substantive commitment by the Company to investors.

Note 2: Computing power revenue = data centre revenue + computing service revenue + digital smart applications revenue + cloud-AI services revenue.

Note 3: 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 4: Number of standard cabinets is calculated based on 2.5 kW per cabinet.

Financial Overview

I. OVERVIEW

In the first half of 2026, the Company adhered to the keynote of "Preserve and Innovate, Steady and Far-reaching". It focused on the four core arenas of "connectivity", "computing power", "service", and "security". By seizing strategic opportunities, it built up robust momentum to drive high-quality development. Total operating revenue was RMB201.36 billion, up by 0.6% year-on-year. Total service revenue reached RMB177.96 billion, down by 0.2% year-on-year. Profit attributable to equity shareholders of the Company was RMB9.47 billion, down by 34.6% year-on-year.

In the first half of 2026, the Company's net cash flow from operating activities was RMB32.94 billion. Capital expenditure was RMB24.08 billion. Free cash flow[1] was RMB8.86 billion, up by 0.9% year-on-year. Liabilities-to-assets ratio was 44.4% as at 30 June 2026.

II. OPERATING REVENUE

In the first half of 2026, the Company's operating revenue was RMB201.36 billion, up by 0.6% year-on-year, of which, service revenue was RMB177.96 billion, down by 0.2% year-on-year.

III. OPERATING COSTS

In the first half of 2026, operating costs of the Company amounted to RMB193.96 billion, up by 4.1% 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 first half of 2026 and 2025:

(RMB in billions)	First half of 2026 Total amount	First half of 2026 As a percentage of revenue	First half of 2025 Total amount	First half of 2025 As a percentage of revenue
Operating costs	193.96	96.3%	186.28	93.0%
Include: Interconnection charges	5.32	2.6%	5.47	2.7%
Depreciation and amortisation	40.01	19.9%	40.32	20.1%
Network, operation and support expenses	32.90	16.3%	31.36	15.7%
Employee benefit expenses	34.14	17.0%	28.61	14.3%
Costs of telecommunications products sold	22.62	11.2%	21.11	10.5%
Selling and marketing expenses	18.06	9.0%	18.17	9.1%
General and administrative expenses	1.97	1.0%	2.15	1.1%
Other operating expenses	38.94	19.3%	39.09	19.5%

1. Interconnection charges

Interconnection charges were RMB5.32 billion in the first half of 2026, down by 2.8% year-on-year and, as a percentage of operating revenue, decreased from 2.7% in the first half of 2025 to 2.6% in the first half of 2026.

2. Depreciation and amortisation

Depreciation and amortisation charges were RMB40.01 billion in the first half of 2026, down by 0.8% year-on-year and, as a percentage of operating revenue, decreased from 20.1% in the first half of 2025 to 19.9% in the first half of 2026.

3. Network, operation and support expenses

Network, operation and support expenses were RMB32.90 billion in the first half of 2026, up by 4.9% year-on-year and, as a percentage of operating revenue, increased from 15.7% in the first half of 2025 to 16.3% in the first half of 2026. The Company has focused on improving network operation efficiency, with further enhancement in resource utilization.

Financial Overview

4. Employee benefit expenses

The Company implemented coordinated measures to optimise the timing of employee benefit expenses spending, and continued to enhance staff costs effectiveness and operational efficiency. Employee benefit expenses were RMB34.14 billion in the first half of 2026, up by 19.3% year-on-year and, as a percentage of operating revenue, increased from 14.3% in the first half of 2025 to 17.0% in the first half of 2026. Employee benefits expenses for the full year are expected to remain stable.

5. Cost of telecommunications products sold

Costs of telecommunications products sold were RMB22.62 billion and revenue from sales of telecommunications products were RMB23.41 billion in the first half of 2026. Gross profits on sales of telecommunications products was RMB0.79 billion.

6. Selling and marketing expenses

The Company focused on refined cost control and management; selling and marketing expenses were RMB18.06 billion in the first half of 2026, down by 0.6% year-on-year and, as a percentage of operating revenue, decreased from 9.1% in the first half of 2025 to 9.0% in the first half of 2026.

7. General and administrative expenses[2]

The Company has systematically optimised resource allocation and strengthened lean management; general and administrative expenses were RMB1.97 billion in the first half of 2026, down by 8.7% year-on-year and, as a percentage of operating revenue, decreased from 1.1% in the first half of 2025 to 1.0% in the first half of 2026.

8. Other operating expenses

Other operating expenses were RMB38.94 billion in the first half of 2026, down by 0.4% year-on-year and, as a percentage of operating revenue, decreased from 19.5% in the first half of 2025 to 19.3% in the first half of 2026.

IV. EARNINGS

(RMB in billions)	First half of 2026 Total amount	First half of 2025 Total amount	Change
Operating profits	7.40	13.92	-46.8%
Net finance gains	0.35	0.24	46.4%
Share of net profit of associates	1.66	1.35	22.7%
Share of net profit of joint ventures	0.68	0.73	-6.5%
Other income-net	1.22	1.55	-21.6%
Profit before income tax	11.31	17.79	-36.4%
Income tax expenses	1.81	3.28	-44.8%
Profit attributable to equity shareholders of the Company	9.47	14.48	-34.6%

1. Profit before income tax

In the first half of 2026, the Company focused on the core target of high-quality development and continuously optimised its business portfolio, profit before income tax was RMB11.31 billion, down by 36.4% year-on-year.

2. Income tax expenses

In the first half of 2026, the Company's income tax expenses were RMB1.81 billion and the effective tax rate was 16.0%.

3. Profit attributable to equity shareholders of the Company

In the first half of 2026, profit attributable to equity shareholders of the Company was RMB9.47 billion. Basic earnings per share was RMB0.309, down by 34.6% year-on-year.

4. EBITDA[3]

In the first half of 2026, the Company's EBITDA was RMB47.42 billion, and the EBITDA as a percentage of service revenue was 26.6%.

V. CAPITAL EXPENDITURE AND CASH FLOW

In the first half of 2026, the Company made moderate, precise and efficient investments, capital expenditure of the Company totaled RMB24.08 billion. The Company's net cash inflow from operating activities was RMB32.94 billion. Free cash flow was RMB8.86 billion after the deduction of the capital expenditure, up by 0.9% year-on-year.

VI. BALANCE SHEET

The Company's total assets changed from RMB669.62 billion as at 31 December 2025 to RMB676.09 billion as at 30 June 2026. Total liabilities changed from RMB298.75 billion as at 31 December 2025 to RMB300.29 billion as at 30 June 2026. The liabilities-to-assets ratio was 44.4% as at 30 June 2026, down by 0.2 percentage point year-on-year. The Company's interest-bearing borrowings were RMB6.93 billion. The debt-to-capitalisation ratio decreased from 8.4% as at 31 December 2025 to 7.7% as at 30 June 2026. The net debt-to-capitalisation ratio was 0.7% as at 30 June 2026.

Note 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.

Note 2: General and administrative expenses excludes staff costs and depreciation.

Note 3: EBITDA represents profit for the period 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.

Unaudited Condensed Consolidated Statement of Income

For the six months ended 30 June 2026

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

		Six months ended 30 June	
	Notes	2026	2025
Revenue	5	201,364	200,202
Interconnection charges		(5,317)	(5,467)
Depreciation and amortisation		(40,013)	(40,320)
Network, operation and support expenses	6	(32,903)	(31,366)
Employee benefit expenses	7	(34,140)	(28,609)
Costs of telecommunications products sold	8	(22,617)	(21,111)
Other operating expenses	9	(58,971)	(59,411)
Finance costs	10	(424)	(633)
Interest income		769	868
Share of net profit of associates		1,660	1,352
Share of net profit of joint ventures		683	730
Other income – net	11	1,216	1,552
Profit before income tax		11,307	17,787
Income tax expenses	12	(1,810)	(3,277)
Profit for the period		9,497	14,510
Profit attributable to:			
Equity shareholders of the Company		9,468	14,484
Non-controlling interests		29	26
Profit for the period		9,497	14,510
Earnings per share for profit attributable to equity shareholders of the Company during the period:			
Basic earnings per share (RMB)	13	0.31	0.47
Diluted earnings per share (RMB)	13	0.31	0.47

The notes on pages 16 to 40 are an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026
(All amounts in RMB millions)

	Six months ended 30 June	
	2026	2025
Profit for the period	**9,497**	14,510
Other comprehensive (expense) income		
Items that will not be reclassified subsequently to statement of income:		
Changes in fair value of financial assets measured at fair value through other comprehensive income ("FVOCI") (non-recycling)	**(114)**	509
Tax effect on changes in fair value of financial assets measured at FVOCI (non-recycling)	**3**	(1)
Changes in fair value of financial assets measured at FVOCI, net of tax (non-recycling)	**(111)**	508
Items that may be reclassified subsequently to statement of income:		
Changes in fair value of financial assets measured at FVOCI, net of tax (recycling)	**13**	(15)
Currency translation differences	**(314)**	(98)
	(301)	(113)
Other comprehensive (expense) income for the period, net of tax	**(412)**	395
Total comprehensive income for the period	**9,085**	14,905
Total comprehensive income attributable to:		
Equity shareholders of the Company	**9,059**	14,879
Non-controlling interests	**26**	26
Total comprehensive income for the period	**9,085**	14,905

The notes on pages 16 to 40 are an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2026

(All amounts in RMB millions)

	Notes	30 June 2026	31 December 2025
ASSETS			
Non-current assets			
Property, plant and equipment	14	339,807	345,611
Right-of-use assets	15	34,342	38,665
Goodwill		2,771	2,771
Interest in associates		46,109	45,792
Interest in joint ventures		13,023	12,640
Deferred income tax assets	12	2,103	1,541
Contract assets		607	446
Contract costs		7,385	7,942
Financial assets measured at fair value	16	5,751	5,132
Long-term bank deposits		10,616	15,580
Other assets	17	23,734	24,539
		486,248	500,659
Current assets			
Inventories		5,178	2,431
Contract assets		733	650
Accounts receivable	18	80,415	65,994
Prepayments and other current assets	19	28,064	31,671
Financial assets measured at fair value	16	26,728	21,398
Short-term bank deposits and restricted deposits		20,151	21,706
Cash and cash equivalents	20	28,572	25,109
		189,841	168,959
Total assets		676,089	669,618
EQUITY			
Equity attributable to equity shareholders of the Company			
Share capital	21	254,056	254,056
Reserves		(8,795)	(8,297)
Retained profits			
— Proposed 2025 final dividend	22	–	4,066
— Others		127,925	118,457
		373,186	368,282
Non-controlling interests		2,611	2,585
Total equity		375,797	370,867

	Notes	30 June 2026	31 December 2025
LIABILITIES			
Non-current liabilities			
Long-term loans	23	**5,151**	3,928
Lease liabilities		**12,420**	16,135
Deferred income tax liabilities	12	**1,070**	2,745
Deferred revenue		**8,022**	8,025
Other obligations		**995**	928
		27,658	31,761
Current liabilities			
Short-term bank loans	24	**1,153**	966
Current portion of long-term loans	23	**627**	589
Lease liabilities		**11,996**	12,469
Accounts payable and accrued liabilities	25	**196,475**	187,088
Bills payable		**13,253**	13,579
Taxes payable		**4,000**	2,405
Current portion of other obligations		**2,501**	2,509
Contract liabilities		**42,162**	47,018
Advances from customers		**467**	367
		272,634	266,990
Total liabilities		**300,292**	298,751
Total equity and liabilities		**676,089**	669,618
Net current liabilities		**(82,793)**	(98,031)
Total assets less current liabilities		**403,455**	402,628

The notes on pages 16 to 40 are an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

(All amounts in RMB millions)

		Attributable to equity shareholders of the Company								
	Notes	**Share capital**	**General risk reserve**	**Investment revaluation reserve**	**Statutory reserves**	**Other reserves**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2025		254,056	987	(9,127)	37,830	(40,068)	117,367	361,045	2,525	363,570
Total comprehensive income (expense) for the period		–	–	506	–	(111)	14,484	14,879	26	14,905
Contribution from non-controlling interests		–	–	–	–	–	–	–	3	3
Share of associates' other reserves		–	–	–	–	17	–	17	–	17
Dividends relating to 2024 final	22	–	–	–	–	–	(4,779)	(4,779)	–	(4,779)
Capital contribution relating to share-based payment borne by A Share Company	27	–	–	–	–	65	–	65	–	65
Others		–	–	–	–	17	–	17	–	17
Balance at 30 June 2025		254,056	987	(8,621)	37,830	(40,080)	127,072	371,244	2,554	373,798
Balance at 1 January 2026		**254,056**	**987**	**(9,186)**	**40,018**	**(40,116)**	**122,523**	**368,282**	**2,585**	**370,867**
Total comprehensive (expense) income for the period		**–**	**–**	**(107)**	**–**	**(302)**	**9,468**	**9,059**	**26**	**9,085**
Share of associates' other reserves		**–**	**–**	**–**	**–**	**(72)**	**–**	**(72)**	**–**	**(72)**
Dividends relating to 2025 final	22	**–**	**–**	**–**	**–**	**–**	**(4,066)**	**(4,066)**	**–**	**(4,066)**
Capital contribution relating to share-based payment borne by A Share Company	27	**–**	**–**	**–**	**–**	**26**	**–**	**26**	**–**	**26**
Others		**–**	**–**	**–**	**–**	**(43)**	**–**	**(43)**	**–**	**(43)**
Balance at 30 June 2026		**254,056**	**987**	**(9,293)**	**40,018**	**(40,507)**	**127,925**	**373,186**	**2,611**	**375,797**

The notes on pages 16 to 40 are an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026
(All amounts in RMB millions)

	Six months ended 30 June	
	2026	2025
Cash flows from operating activities		
Cash generated from operations	**34,668**	32,149
Income tax paid	**(1,725)**	(3,147)
Net cash inflow from operating activities	**32,943**	29,002
Cash flows from investing activities		
Purchase of property, plant and equipment, right-of-use assets and other assets	**(27,976)**	(29,916)
Other cash flows arising from investing activities	**5,799**	1,945
Net cash outflow from investing activities	**(22,177)**	(27,971)
Cash flows from financing activities		
Capital element of lease rentals paid	**(6,163)**	(6,533)
Dividends paid to equity shareholders of the Company	**(4,066)**	(4,779)
Other cash flows arising from financing activities	**3,116**	1,799
Net cash outflow from financing activities	**(7,113)**	(9,513)
Net increase (decrease) in cash and cash equivalents	**3,653**	(8,482)
Cash and cash equivalents, beginning of period	**25,109**	28,480
Effect of changes in foreign exchange rate	**(190)**	32
Cash and cash equivalents, end of period	**28,572**	20,030

The notes on pages 16 to 40 are an integral part of these unaudited condensed consolidated interim financial statements.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

(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 on 22 June 2000.

The substantial shareholders of the Company are China Unicom (BVI) Limited ("Unicom BVI") and China Unicom Group Corporation (BVI) Limited. 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. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the applicable disclosure requirements of the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" and Hong Kong Accounting Standard 34 ("HKAS 34") "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 have not been audited, but have been reviewed by the Company's Audit Committee. They have also been reviewed by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025. The Group's policies on financial risk management, including management of market risk, credit risk and liquidity risk, as well as capital risk management, were set out in the financial statements included in the Company's 2025 Annual Report and there have been no significant changes in any financial risk management policies for the six months ended 30 June 2026.

2. BASIS OF PREPARATION (Continued)

The financial information relating to the year ended 31 December 2025 that is included in these unaudited condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

(a) Going Concern Assumption

As at 30 June 2026, current liabilities of the Group exceeded current assets by approximately RMB82.8 billion (31 December 2025: approximately RMB98.0 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 RMB220.2 billion of revolving banking facilities of which approximately RMB211.1 billion was unutilised as at 30 June 2026; 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.

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 unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 have been prepared on a going concern basis.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

(All amounts in RMB millions unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair values.

Other than the changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 are the same as those used in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

The HKICPA has issued the following amendments to HKFRS Accounting Standards that is first effective for the current accounting period of the Group:

- Amendments to HKFRS 9 and HKFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"
- Amendments to HKFRS 9 and HKFRS 7, "Contracts Referencing Nature-dependent Electricity"
- Amendments to HKFRS Accounting Standards, "Annual Improvements to HKFRS Accounting Standards – Volume 11"

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material effect on how the Group's results and financial positions for the current or prior periods have been prepared or presented in these unaudited condensed consolidated interim financial statements.

4. SEGMENT INFORMATION

The executive directors of the Company have been identified as the Chief Operating Decision Maker (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 Mainland China 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.

5. REVENUE

Revenue from telecommunications services are subject to value-added tax ("VAT") at VAT rates applicable to various telecommunications services. VAT is excluded from the revenue.

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%. Before 2026, 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. 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 PRC, the tax category applicable to business activities involving the provision of mobile data services, short message service and multimedia message service, 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 is adjusted from 6% to 9%.

5. REVENUE (Continued)

Disaggregation of revenue by major services and products:

	Six months ended 30 June	
	2026	2025
Voice usage and monthly fees	9,755	9,843
Broadband and mobile data services	73,931	77,052
Data and internet application services	58,831	55,025
Other value-added services	15,380	15,572
Interconnection fees	5,965	6,096
Transmission lines usage and associated services	12,321	12,631
Other services	1,773	2,137
Total service revenue	177,956	178,356
Sales of telecommunications products	23,408	21,846
Total	201,364	200,202
Include: Revenue from contracts with customers within the scope of HKFRS 15	200,712	199,568
Revenue from other sources	652	634

6. NETWORK, OPERATION AND SUPPORT EXPENSES

		Six months ended 30 June	
	Note	2026	2025
Repairs and maintenance		5,418	5,250
Power and water charges		8,091	7,328
Charges for use of network, premises, equipment and facilities	(i)	13,580	13,069
Charges for use of tower assets	(ii)	4,466	4,399
Others		1,348	1,320
		32,903	31,366

(i) During the six months ended 30 June 2026 and 2025, 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 six months ended 30 June 2026 and 2025, 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 China Tower Corporation Limited ("Tower Company"), see Note 29.3.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

(All amounts in RMB millions unless otherwise stated)

7. EMPLOYEE BENEFIT EXPENSES

	Note	Six months ended 30 June 2026	2025
Salaries and wages		**24,996**	19,634
Contributions to defined contribution pension schemes		**5,019**	4,891
Contributions to medical insurance		**1,635**	1,599
Contributions to housing fund		**2,458**	2,413
Other housing benefits		**6**	7
Share-based compensation	27	**26**	65
		34,140	28,609

8. COSTS OF TELECOMMUNICATIONS PRODUCTS SOLD

	Six months ended 30 June 2026	2025
Handsets and other telecommunication products	**21,956**	20,635
Others	**661**	476
	22,617	21,111

9. OTHER OPERATING EXPENSES

	Six months ended 30 June 2026	2025
Impairment losses (including reversals of impairment losses) on financial assets	**6,786**	8,083
Write-down of inventories	**120**	119
Commission and other service expenses	**13,875**	13,685
Advertising and promotion expenses	**666**	734
Internet access terminal maintenance expenses	**1,404**	1,487
Customer retention costs	**1,248**	1,330
Property management fee	**1,304**	1,401
Office and administrative expenses	**586**	667
Transportation expense	**264**	296
Miscellaneous taxes and fees	**1,103**	858
Service technical support expenses	**29,992**	28,970
Repairs and maintenance expenses	**123**	116
Gain on disposal of property, plant and equipment	**(971)**	(1,038)
Others	**2,471**	2,703
	58,971	59,411

10. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
Finance costs:		
— Interest on lease liabilities	**412**	626
— Interest on related party loans	**48**	78
— Interest on bank loans and others	**37**	17
— Less: Interest capitalised in construction-in-progress ("CIP")	**(15)**	(7)
Total interest expense	**482**	714
Net exchange gain	**(73)**	(92)
Others	**15**	11
	424	633

11. OTHER INCOME — NET

	Six months ended 30 June	
	2026	2025
Dividends from financial assets measured at FVOCI (non-recycling)	**81**	85
Government grants	**574**	532
Investment income from debt securities measured at FVOCI (recycling)	**193**	85
Fair value gains/(losses) on financial instrument measured at fair value through profit or loss ("FVPL")	**57**	(5)
Gains/(losses) on disposal of financial assets measured at FVPL	**5**	(6)
Payables that do not need to be paid	**318**	574
Others	**(12)**	287
	1,216	1,552

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

(All amounts in RMB millions unless otherwise stated)

12. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (for the six months ended 30 June 2025: 16.5%) on the estimated assessable profits for the six months ended 30 June 2026. Taxation on profits outside Hong Kong has been calculated on the estimated assessable profits for the six months ended 30 June 2026 at the rates of taxation prevailing in the jurisdictions in which the Group operates. The Company's subsidiaries operate mainly in Mainland China and the applicable statutory enterprise income tax rate is 25% (for the six months ended 30 June 2025: 25%). Taxation for certain subsidiaries in Mainland China was calculated at a preferential tax rate of 15% (for the six months ended 30 June 2025: 15%).

	Six months ended 30 June	
	2026	2025
Provision for estimated assessable profits for the period		
— Hong Kong profits tax	26	32
— Mainland China and other jurisdictions income tax	4,008	4,881
Under tax provision in respect of prior years	84	16
	4,118	4,929
Deferred taxation	(2,308)	(1,652)
Income tax expenses	1,810	3,277

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

		Six months ended 30 June	
	Note	2026	2025
Profit before income tax		11,307	17,787
Expected income tax expense at PRC statutory tax rate of 25%		2,827	4,447
Impact of different tax rates outside Mainland China		(22)	(109)
Tax effect of preferential tax rate	(i)	(107)	(41)
Additional deduction for qualified research and development costs	(i)	(816)	(967)
Tax effect of non-deductible expenses		405	343
Tax effect of non-taxable income from share of net profit of joint ventures		(171)	(183)
Tax effect of non-taxable income from share of net profit of associates		(415)	(306)
Under tax provision in respect of prior years		84	16
Tax effect of unused tax losses not recognised, net of utilisation	(ii)	25	77
Income tax expenses		1,810	3,277

(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% (for the six months ended 30 June 2025: 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% (for the six months ended 30 June 2025: 15%), and certain research and development costs of the Group's PRC subsidiaries are qualified for 100% (for the six months ended 30 June 2025: 100%) additional deduction for tax purpose.

(ii) As at 30 June 2026, the Group did not recognise deferred tax assets in respect of tax losses amounting to approximately RMB883 million (31 December 2025: approximately RMB763 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 2036.

12. TAXATION (Continued)

As at 30 June 2026, 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 RMB9,711 million (31 December 2025: approximately RMB9,618 million), since it is not probable that the related tax benefit will be realised.

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.

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

	Six months ended 30 June	
	2026	2025
Net deferred tax assets after offsetting:		
— Balance at 1 January	**1,541**	1,256
— Deferred tax credited to the consolidated statement of income	**632**	532
— Deferred tax (charged)/credited to reserves	**(70)**	16
— Balance at 30 June	**2,103**	1,804
Net deferred tax liabilities after offsetting:		
— Balance at 1 January	**(2,745)**	(1,306)
— Deferred tax credited to the consolidated statement of income	**1,676**	1,120
— Deferred tax (charged)/credited to other comprehensive income	**(1)**	4
— Balance at 30 June	**(1,070)**	(182)

13. EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2026 and 2025 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods.

Diluted earnings per share for the six months ended 30 June 2026 and 2025 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods, after adjusting for the effects of the dilutive potential ordinary shares. There were no dilutive potential ordinary shares for the six months ended 30 June 2026 and 2025.

13. EARNINGS PER SHARE (Continued)

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

	Six months ended 30 June	
	2026	2025
Numerator (in RMB millions): Profit attributable to equity shareholders of the Company used in computing basic/diluted earnings per share	**9,468**	14,484
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)	**0.31**	0.47

14. PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June 2026					
	Buildings	Tele-communications equipment	Office furniture, fixtures, motor vehicles and other equipment	Leasehold improvements	CIP	Total
Cost:						
Beginning of period	91,789	915,722	21,746	3,322	30,591	1,063,170
Additions	534	163	83	47	21,935	22,762
Transfer from CIP	1,285	14,066	633	145	(16,129)	–
Transfer to other assets	–	–	–	–	(1,104)	(1,104)
Disposals	(125)	(5,063)	(278)	(81)	–	(5,547)
End of period	93,483	924,888	22,184	3,433	35,293	1,079,281
Accumulated depreciation and impairment:						
Beginning of period	(51,286)	(647,729)	(16,165)	(2,285)	(94)	(717,559)
Charge for the period	(1,469)	(24,824)	(679)	(199)	–	(27,171)
Disposals	72	4,848	268	68	–	5,256
End of period	(52,683)	(667,705)	(16,576)	(2,416)	(94)	(739,474)
Net book value:						
End of period	40,800	257,183	5,608	1,017	35,199	339,807
Beginning of period	40,503	267,993	5,581	1,037	30,497	345,611

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements of property, plant and equipment for the six months ended 30 June 2026 and 2025 are as follows: (Continued)

	Six months ended 30 June 2025					
	Buildings	Tele-communications equipment	Office furniture, fixtures, motor vehicles and other equipment	Leasehold improvements	CIP	Total
Cost:						
Beginning of period	86,228	885,060	20,955	3,262	36,328	1,031,833
Additions	298	122	85	29	18,221	18,755
Transfer from CIP	1,612	16,809	404	115	(18,940)	–
Transfer to other assets	–	–	–	–	(755)	(755)
Disposals	(140)	(6,693)	(467)	(43)	–	(7,343)
End of period	87,998	895,298	20,977	3,363	34,854	1,042,490
Accumulated depreciation and impairment:						
Beginning of period	(48,786)	(613,403)	(15,717)	(2,300)	(97)	(680,303)
Charge for the period	(1,392)	(24,862)	(644)	(165)	–	(27,063)
Disposals	121	6,452	436	42	–	7,051
End of period	(50,057)	(631,813)	(15,925)	(2,423)	(97)	(700,315)
Net book value:						
End of period	37,941	263,485	5,052	940	34,757	342,175
Beginning of period	37,442	271,657	5,238	962	36,231	351,530

15. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group entered into a number of lease agreements for use of buildings, telecommunications equipment and land use rights, and therefore recognised the additions to right-of-use assets of RMB3,024 million (for the six months ended 30 June 2025: RMB3,302 million).

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

(All amounts in RMB millions unless otherwise stated)

16. FINANCIAL ASSETS MEASURED AT FAIR VALUE

	Note	30 June 2026	31 December 2025
Non-current portion:			
Equity securities measured at FVOCI (non-recycling)	(i)	2,058	2,152
Financial assets measured at FVPL	(ii)	2,016	1,503
Debt securities measured at FVOCI (recycling)	(iii)	1,677	1,477
		5,751	5,132
Current portion:			
Financial assets measured at FVPL	(ii)	1,536	2,805
Debt securities measured at FVOCI (recycling)	(iii)	25,192	18,593
		26,728	21,398
		32,479	26,530

(i) Equity securities measured at FVOCI (non-recycling):

	Note	30 June 2026	31 December 2025
Listed in the PRC		163	184
Listed outside the PRC	26	1,754	1,847
Unlisted		141	121
		2,058	2,152

(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.

17. OTHER ASSETS

	Note	30 June 2026	31 December 2025
Intangible assets		**19,455**	19,982
Prepaid services charges for transmission lines and electricity cables and other services		**1,110**	1,226
VAT recoverable	(i)	**498**	506
Capital bonds		**414**	431
Amounts due from related parties		**1**	1
Others		**2,256**	2,393
		23,734	24,539

(i) 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 is included in "prepayments and other current assets". See Note 19(i).

18. ACCOUNTS RECEIVABLE

	30 June 2026	31 December 2025
Accounts receivable from third parties	**107,424**	87,241
Amounts due from ultimate holding company	**113**	91
Amounts due from related parties	**1,389**	1,363
Amounts due from Tower Company	**352**	314
Amounts due from domestic carriers	**5,853**	4,970
Less: Credit loss allowance	**(34,716)**	(27,985)
	80,415	65,994

(All amounts in RMB millions unless otherwise stated)

18. ACCOUNTS RECEIVABLE (Continued)

The following is an analysis of account receivables by age, net of allowance for credit losses, presented based on the billing dates.

	30 June 2026	31 December 2025
Within one month	18,797	18,253
More than one month but not more than three months	14,485	10,991
More than three months but not more than one year	30,853	23,750
More than one year	16,280	13,000
	80,415	65,994

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.

19. PREPAYMENTS AND OTHER CURRENT ASSETS

The nature of prepayments and other current assets are as follows:

	Note	30 June 2026	31 December 2025
Prepaid services charges for transmission lines and electricity cables and other services		4,878	3,998
Prepaid power and water charges		578	625
Deposits and prepayments		3,620	3,602
VAT recoverable	(i)	8,160	9,164
Prepaid income tax expenses		35	917
Financial assets held under resale agreements	(ii)	2,000	4,003
Amounts due from ultimate holding company		3,823	4,926
Amounts due from related parties		164	132
Amounts due from Tower Company		72	72
Amounts due from domestic carriers		550	468
Others		4,184	3,764
		28,064	31,671

19. PREPAYMENTS AND OTHER CURRENT ASSETS (Continued)

(i) VAT recoverable includes the input VAT and prepaid VAT that is expected to be deducted within one year.

(ii) Financial assets held under resale agreements are transactions where Unicom Group Finance Company Limited ("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 30 June 2026 and 31 December 2025, there was no significant impairment for the prepayments and other current assets.

20. CASH AND CASH EQUIVALENTS

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.

21. SHARE CAPITAL

Issued and fully paid:	Number of shares millions	Share capital
At 1 January 2025, at 31 December 2025 and at 30 June 2026	30,598	254,056

22. DIVIDENDS

At the annual general meeting held on 26 May 2026, the shareholders of the Company approved the payment of a final dividend of RMB0.1329 per ordinary share for the year ended 31 December 2025, totalling approximately RMB4,066 million (for the six months ended 30 June 2025: 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 six months ended 30 June 2026.

The Board of Directors of the Company didn't declare an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 2025 interim dividend of RMB0.2841 per ordinary share to the shareholders totalling approximately RMB8,693 million).

(All amounts in RMB millions unless otherwise stated)

22. DIVIDENDS (Continued)

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 30 June 2026 and 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 unaudited condensed consolidated interim 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.

23. LONG-TERM LOANS

	Interest rates and final maturity	30 June 2026	31 December 2025
Long-term bank loans			
RMB denominated bank loans	Interest rates ranging from 1.08% to 2.65% (31 December 2025: 1.08% to 2.60%) per annum with maturity through 2036 (31 December 2025: maturity through 2036)	3,731	2,656
United States dollars ("US dollars") denominated bank loans	Fixed interest rate is Nil (31 December 2025: Nil) per annum with maturity through 2040 (31 December 2025: maturity through 2040)	107	119
Amounts due to ultimate holding company			
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 2025: maturity through 2027)	1,940	1,742
Sub-total		5,778	4,517
Less: Current portion due within one year (long-term loans)		(627)	(589)
		5,151	3,928

23. LONG-TERM LOANS (Continued)

As at 30 June 2026, long-term loans of approximately RMB23 million (31 December 2025: approximately RMB26 million) were guaranteed by third parties.

The repayment schedule of the long-term loans is as follows:

	30 June 2026	31 December 2025
Balances due:		
— No later than one year	**627**	589
— More than one year and no later than two years	**1,373**	772
— More than two years and no later than five years	**2,467**	2,170
— More than five years	**1,311**	986
	5,778	4,517
Less: Portion classified as current liabilities	**(627)**	(589)
	5,151	3,928

24. SHORT-TERM BANK LOANS

	Interest rates and final maturity	30 June 2026	31 December 2025
RMB denominated bank loans	Interest rates ranging from 1.00 % to 3.30% (31 December 2025: 1.00% to 3.60%) per annum with maturity through 2027 (31 December 2025: maturity through 2026)	**1,153**	966

25. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	30 June 2026	31 December 2025
Payables to contractors and equipment suppliers	**85,297**	88,250
Payables to telecommunications products suppliers	**2,200**	1,844
Customer/contractor deposits	**4,945**	5,056
Repair and maintenance expense payables	**14,807**	14,234
Salary and welfare payables	**8,533**	3,624
Amounts due to technical support service and other service providers/content providers	**8,071**	8,235
VAT received from customer in advance	**2,524**	2,761
Accrued expenses	**23,958**	21,541
Amounts due to ultimate holding company	**4,035**	2,904
Amounts due to related parties	**14,761**	14,383
Amounts due to Tower Company	**8,183**	6,216
Amounts due to domestic carriers	**5,076**	4,157
Others	**14,085**	13,883
	196,475	187,088

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

(All amounts in RMB millions unless otherwise stated)

25. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (Continued)

The aging analysis of accounts payable and accrued liabilities based on the billing date is as follows:

	30 June 2026	31 December 2025
Less than six months	161,820	150,945
Six months to one year	13,202	13,606
More than one year	21,453	22,537
	196,475	187,088

26. MUTUAL INVESTMENT OF THE COMPANY AND TELEFÓNICA S.A. ("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 30 June 2026, the related financial assets measured at FVOCI amounted to approximately RMB1,754 million (31 December 2025: approximately RMB1,847 million). For the six months ended 30 June 2026, the decrease in fair value of the financial assets measured at FVOCI was approximately RMB93 million (for the six months ended 30 June 2025: increase of approximately RMB503 million), has been recorded in the unaudited condensed consolidated statement of comprehensive income.

27. 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.

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.

Pursuant to the Phase II Restricted A-Share Incentive Scheme, the first Lock-Up Period II of approximately 2 years for this batch has expired in November 2024, the second Lock-Up Period II of approximately 3 years for this batch has expired in November 2025. For the six months ended 30 June 2026, with the fulfilment of the vesting conditions, the Phase II Restricted Shares of 223,583,025 (2025: nil) in aggregate were approved for unlocking after the expiry of the Lock-Up Period II by the Board of Directors of A Share Company.

For the six months ended 30 June 2026, the Group recognised share-based payment expenses and other reserves of RMB26 million under the Phase II Restricted A-Share Incentive Schemes (for the six months ended 30 June 2025: RMB65 million).

For the six months ended 30 June 2026, the Phase II Restricted Shares of nil (For the six months ended 30 June 2025: 22,841,600) were forfeited.

Notes to Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

(All amounts in RMB millions unless otherwise stated)

28. 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 short-term bank loans, financial liabilities included in accounts payable and accrued liabilities, bills payable, 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 that the entity can access 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 financial assets that are measured at fair value as at 30 June 2026:

	Level 1	Level 2	Level 3	Total
Recurring fair value measurement:				
Equity securities measured at FVOCI (non-recycling)	1,917	–	141	2,058
Financial assets measured at FVPL	1,434	–	2,118	3,552
Debt securities measured at FVOCI (recycling)	26,869	–	–	26,869
Total	30,220	–	2,259	32,479

28. FAIR VALUE ESTIMATION (Continued)

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

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

	Level 1	Level 2	Level 3	Total
Recurring fair value measurement:				
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
Total	24,803	–	1,727	26,530

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 listed equity investments, investments in monetary funds that are classified as financial assets measured at FVPL.

During the six months ended 30 June 2026 and 2025, 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

Except as detailed in the following table, the carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 June 2026 and 31 December 2025 due to the nature or short maturity of those instruments.

	Carrying amounts as at 30 June 2026	Fair value as at 30 June 2026	Fair value measurements as at 30 June 2026 categorised into			Carrying amounts as at 31 December 2025	Fair value as at 31 December 2025
			Level 1	Level 2	Level 3		
Long-term bank deposits	10,616	10,740	–	10,740	–	15,580	15,862
Capital bonds	414	454	–	454	–	431	486
Non-current portion of long-term loans	5,151	5,023	–	5,023	–	3,928	3,845

The fair values of the non-current portion of long-term loans are based on the expected cash flows of principal and interests payment discounted at market rates ranging from 0.57% to 3.50% (31 December 2025: 0.57% to 3.50%) per annum as at 30 June 2026. 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 1.25% (2025: 1.90%) per annum and 4.42% (2025: 3.73%) per annum, respectively.

(All amounts in RMB millions unless otherwise stated)

29. 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 national 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.

29.1 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.

	Note	Six months ended 30 June 2026	2025
Transactions with Unicom Group and its subsidiaries:			
Charges for value-added telecommunications services	(i)	**40**	53
Rental charges for short-term property leasing and related services	(i)	**499**	495
Charges for use of telecommunications resources and related services	(i)	**113**	111
Charges for engineering design and construction and IT services	(i)	**153**	102
Charges for shared services	(i)	**38**	39
Charges for materials procurement services	(i)	**58**	1
Charges for ancillary telecommunications services	(i)	**68**	60
Charges for comprehensive support services	(i)	**391**	331
Income from comprehensive support services	(i)	**119**	90
Income from short-term property leasing services	(i)	**24**	–
Lending by Finance Company to Unicom Group and its subsidiaries	(i)	**1,500**	2,400
Repayment of loans lending by Finance Company to Unicom Group and its subsidiaries	(i)	**2,600**	2,000
Fee and interest income from lending services	(i)	**42**	55
Income from other financial services	(i)	**1**	1
Net deposits with Finance Company	(i)	**1,053**	4,257
Interest expenses on the deposits in Finance Company	(i)	**29**	64
Interest expenses on unsecured entrusted loan	(i)	**19**	14
Lending from Unicom Group and its subsidiaries	(i)	**192**	–

29. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

29.1 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".

(b) Amounts due from Unicom Group and its subsidiaries

Amounts due from Unicom Group as at 30 June 2026 included loans from Finance Company to Unicom Group of RMB3,800 million in total with respective floating interest rate of LPR published by the NIFC (31 December 2025: RMB4,900 million with respective floating interest rate of LPR published by the NIFC). This amount was included in the amounts due from ultimate holding company in note 19.

(c) Amounts due to Unicom Group and its subsidiaries

Amounts due to Unicom Group and its subsidiaries as at 30 June 2026 included a balance of deposits received by Finance Company from Unicom Group and its subsidiaries as well as related interest payable amounting to RMB11,748 million (31 December 2025: RMB10,691 million) with interest rates ranging from 0.12% to 2.75% (2025: 0.12% 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 25.

Amounts due to Unicom Group and its subsidiaries as at 30 June 2026 included unsecured entrusted loans from Unicom Group of RMB1,894 million (31 December 2025: RMB1,696 million) with a maturity period of 3 years and unsecured entrusted loans from Unicom Group of RMB46 million (31 December 2025: RMB46 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. These amounts were included in the amounts due to ultimate holding company in note 23.

(All amounts in RMB millions unless otherwise stated)

29. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

29.2 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.

	Six months ended 30 June	
	2026	2025
Transactions with associates and joint ventures of Unicom Group and its subsidiaries:		
Charges for use of telecommunications resources and related services	**1**	1
Charges for engineering design and construction and IT services	**231**	197
Charges for materials procurement services	**4**	9
Charges for ancillary telecommunications services	**515**	467
Charges for comprehensive support services	**121**	100
Income from comprehensive support services	**33**	16

In addition to the above amounts, the Group has also entered into related party transactions with associates and joint ventures of Unicom Group and its subsidiaries which do not meet the definition of connected person and connected transactions under Chapter 14A of the Listing Rules during the six months ended 30 June 2026. These transactions include:

	Six months ended 30 June	
	2026	2025
Transactions with associates and joint ventures of Unicom Group and its subsidiaries:		
Rental charges for short-term property leasing and related services	**3**	1
Charges for use of telecommunications resources and related services	**34**	2
Charges for engineering design and construction and IT services	**1,332**	1,045
Charges for materials procurement services	**95**	7
Charges for ancillary telecommunications services	**1,573**	1,198
Charges for comprehensive support services	**530**	484
Income from comprehensive support services	**290**	270

29. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

29.3 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.

		Six months ended 30 June	
	Note	2026	2025
Transactions with associates and joint ventures of the Group:			
Revenue from engineering design and construction and IT services	(i)	246	312
Related costs for use of tower assets	(ii)	8,534	8,763
Charges for engineering design and construction and IT services	(i)	171	55
Additions of right-of-use assets	(ii)	1,362	1,110
Revenue from value-added telecommunications services		240	458
Charges for value-added telecommunications services		196	456
Charges for materials procurement services		–	16
Net deposits with Finance Company		17	14
Interest expenses on the deposits in Finance Company		–	1

(i) Engineering design and construction and IT services

The Group and its associates provided engineering design, construction and supervision services and IT services to each other.

(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.

Based on HKFRS 16, the Group recognised additions of right-of-use assets during the six months ended 30 June 2026 amounting to RMB1,362 million (for the six months ended 30 June 2025: RMB1,110 million). Related costs for use of tower assets include the depreciation of right-of-use assets of RMB3,775 million (for the six months ended 30 June 2025: RMB3,913 million), interest expense of RMB293 million (for the six months ended 30 June 2025: RMB452 million), and variable lease payments and other service charges of RMB4,466 million (for the six months ended 30 June 2025: RMB4,453 million) in its unaudited condensed consolidated statement of income for the six months ended 30 June 2026.

(All amounts in RMB millions unless otherwise stated)

29. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

29.3 Material transactions with associates and joint ventures of the Group (Continued)

(ii) Lease of the tower assets and other related services (Continued)

The outstanding balances with the associates and joint ventures of the Group are summarised as follows:

	Note	30 June 2026	31 December 2025
Amounts due from related parties		486	495
Amounts due to related parties	(iii)	16,551	16,067

(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 30 June 2026 was RMB15,743 million (31 December 2025: RMB15,156 million). Except as mentioned in Note 29.3(ii), amounts due from/to Tower Company are unsecured, interest-free, repayable on demand/on contract terms as described above.

30. CONTINGENCIES AND COMMITMENTS

30.1 Capital commitments

As at 30 June 2026 and 31 December 2025, the Group had capital commitments, mainly in relation to the construction of telecommunications network, as follows:

	30 June 2026			31 December 2025
	Land and buildings	Equipment	Total	Total
Authorised and contracted for	2,299	41,472	43,771	72,450
	2,299	41,472	43,771	72,450

30.2 Contingent liabilities

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.

31. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

There are no significant subsequent events after 30 June 2026.

32. APPROVAL OF FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 18 August 2026.

Report on Review of Condensed Consolidated Interim Financial Statements

Deloitte. 德勤

To the Board of Directors of China Unicom (Hong Kong) Limited
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of China Unicom (Hong Kong) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 10 to 40, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of income, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes to the condensed consolidated interim financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 August 2026

Other Information

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

As at 30 June 2026, 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 (the "Hong Kong Stock Exchange") 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 Shares Held	Percentage of Issued Shares
Chung Shui Ming Timpson	Beneficial owner (Personal)	6,000	0.00%

Save as disclosed in the foregoing, as at 30 June 2026, 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 six months ended 30 June 2026, 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 30 June 2026, 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 Directly	Ordinary Shares Held Indirectly	Percentage of Issued Shares
(i) China United Network Communications Group Company Limited ("Unicom Group")[1, 2]	—	24,683,896,309	80.67%
(ii) China United Network Communications Limited ("Unicom A Share Company")[1]	—	16,376,043,282	53.52%
(iii) China Unicom (BVI) Limited ("Unicom BVI")[1]	16,376,043,282	—	53.52%
(iv) China Unicom Group Corporation (BVI) Limited ("Unicom Group BVI")[2, 3]	8,082,130,236	225,722,791	27.15%

Notes:

1. Unicom Group and Unicom 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 Unicom 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 30 June 2026, no person had any interests 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.

Please also refer to Note 21 to the unaudited condensed consolidated interim financial statements for details of the share capital of the Company.

REPURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

For the six months ended 30 June 2026, 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 30 June 2026, the Company did not hold any treasury shares.

CHANGES OF DIRECTORS' INFORMATION

Changes in Directors' major office since the date of the 2025 Annual Report of the Company and up to the date of release of the 2026 interim results of the Company, are set out below.

- Mr. Tang Yongbo no longer served as a non-executive Director of China Communications Services Corporation Limited since 30 July 2026.

- Mr. Fan Chun Wah Andrew no longer served as an independent non-executive Director of Nameson Holdings Limited since 31 March 2026, and has been appointed as an independent non-executive Director of COSCO Shipping Holdings Co., Ltd. with effect from 1 July 2026.

- Mrs. Law Fan Chiu Fun Fanny no longer served as an independent non-executive Director of China Taiping Insurance Holdings Company Limited since 23 June 2026.

Save as stated above, no other information on the Directors of the Company is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors are available on the website of the Company (www.chinaunicom.com.hk).

AUDIT COMMITTEE

The Audit Committee has reviewed this Interim Report and has, together with the management and the auditor of the Company, Deloitte Touche Tohmatsu, reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including the review of interim financial information for the six months ended 30 June 2026.

Other Information

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to maintaining 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 Company has complied with the principles and the code provisions in Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules for the six months ended 30 June 2026, except for the following:

The roles and responsibilities of the Chairman and the Chief Executive Officer of the Company were performed by the same individual for the six months ended 30 June 2026. 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. Dong Xin, the Chairman of the Company, and Mr. Chung Shui Ming Timpson, an independent non-executive Director, the chairman of the Audit Committee and the Nomination Committee, were unable to attend the annual general meeting of the Company convened on 26 May 2026 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, the Chairman of the Company has appointed another executive Director to chair the said annual general meeting, and that executive Director, together with the independent non-executive Directors present, answered the questions raised by the shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules 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 six months ended 30 June 2026.

COMPLIANCE WITH APPENDIX D2 OF THE LISTING RULES

According to paragraph 40 of Appendix D2 of the Listing Rules, save as disclosed herein, the Company confirmed that the current company information in relation to those matters set out in paragraph 32 of Appendix D2 has not changed materially from the information disclosed in the Company's 2025 annual report.

INTERIM DIVIDEND

It was resolved by the Board that no interim dividend for the six months ended 30 June 2026 will be paid.

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中國聯合網絡通信（香港）股份有限公司
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