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CHINA UNICOM (HONG KONG) LIMITED

中國聯合網絡通信(香港)股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0762)

THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF SMART CONNECTION TECHNOLOGY

A. BACKGROUND

The board of directors (the “**Board**”) of China Unicom (Hong Kong) Limited (the “**Company**”) hereby announces that the Company is considering the proposed spin-off and separate listing of 聯通智網科技股份有限公司 (China Unicom Smart Connection Technology Limited) (“**SMART Connection Technology**”) on a stock exchange within Mainland of the PRC (the “**Proposed Spin-off**”). If the Company proceeds with the Proposed Spin-off, it would constitute a spin-off under the Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the “**Listing Rules**”). The Company will submit the application under the Practice Note 15 to the Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) as soon as possible.

B. DETAILS OF THE PROPOSED SPIN-OFF

The preliminary plan for the Proposed Spin-off is as follows:

Place of listing	:	Listing of A share in Mainland of the PRC
Class of shares to be issued	:	Domestically-listed and RMB-denominated ordinary shares of SMART Connection Technology (A share)
Nominal value of shares	:	RMB 1.00
Target subscribers	:	Enquired investors that meet the qualifications required by the China Securities Regulatory Commission (the “ CSRC ”) and other regulatory authorities as well as natural persons, legal persons and other institutional investors within Mainland of the PRC who have opened A Share securities account with a stock exchange within Mainland of the PRC (other than those prohibited by laws, regulations, rules and normative documents of Mainland of the PRC)

- Time of offering and listing** : Upon approval by and/or registration with the stock exchange within the Mainland of the PRC and the CSRC, SMART Connection Technology will conduct the offering at an appropriate time. The specific offering date will be determined by the board of directors of SMART Connection Technology upon authorisation of the shareholders' general meeting of SMART Connection Technology after approval by and/or registration with the stock exchange within Mainland of the PRC and the CSRC.
- Method of offering** : A combination of offline placement and online application or other offering methods acceptable to the CSRC and the stock exchange within Mainland of the PRC will be adopted.
- Offering size** : The final offering amount will be determined through consultation with the lead underwriter based on the requirements of relevant regulatory authorities, the specific conditions of the securities market, the amount of equity prior to the offering and the fund required for the specific purpose of the fund raising project, etc.
- Pricing method** : The offering price of the shares will be determined through price inquiry to professional institutional investors such as securities companies registered with the Securities Association of China, fund management companies, trust companies, finance companies, insurance companies, qualified foreign investors and private equity fund managers.
- Other matters related to the offering** : The strategic placement, use of proceeds, underwriting method, over-allotment option (if applicable) and other matters involved in the Proposed Spin-off will be further confirmed and adjusted by SMART Connection Technology based on the implementation of the current offering and listing plan, market conditions, policy adjustments, and the opinions of regulatory authorities.

According to relevant laws and regulations in Mainland of the PRC, the Proposed Spin-off is subject to the approval of the shareholders' general meeting of China United Network Communications Limited, the controlling shareholder of the Company.

C. INFORMATION ABOUT SMART CONNECTION TECHNOLOGY

SMART Connection Technology, incorporated in the PRC, is a non-wholly owned subsidiary of the Company (the Company directly or indirectly through its subsidiary holds approximately 69.2% of its shares in total). SMART Connection Technology's businesses focus on the field of Internet of Vehicles, including Smart Connection, Smart Operation and Smart Application. With respect to Smart Connection business, SMART Connection Technology provides scene-specific integrated smart connection services to meet the specific needs of the end-to-end system of the Internet of Vehicles that features high customisation, high security, and high timeliness, including smart connection of vehicles based on mobile networks and cloud-network integration business based on car-cloud networking. With respect to Smart Operation business, SMART Connection Technology provides ecological operation services, introducing Internet of Vehicles streaming media content and online information services to enrich the Internet of Vehicles content service ecosystem. It also provides customer operation services to assist automobile companies and customers in related industries in providing interactive services with individual customers, and provides digital operation services to assist automobile companies in providing TSP, big data and other platforms and operation and maintenance management tools, so as to improve the operational efficiency of the Internet of Vehicles. With respect to Smart Application business, SMART Connection Technology actively conducts researches relating to the application of 5G, MEC, V2X and other new-generation information technologies, and expands vehicle-road

collaboration applications that empower smart transportation, fleet management applications, and personalised smart cockpit applications for users.

SMART Connection Technology successfully completed the mixed ownership reform in 2019, bringing in strategic investors including 一汽股權投資（天津）有限公司 (FAW Equity Investment (Tianjin) Co., Ltd.), 東風資產管理有限公司 (Dongfeng Asset Management Co., Ltd.) and 廣州盈越創業投資合夥企業（有限合夥）(Guangzhou Yingyue Venture Capital Partnership (Limited Partnership)), etc. According to the financial data of SMART Connection Technology which has not been audited for the listing, SMART Connection Technology recorded a full-year operating revenue of approximately RMB 420 million and a net profit of approximately RMB 67 million in 2020, with total assets of approximately RMB 1.21 billion as at 31 December 2020.

D. REASONS FOR, AND BENEFITS OF, THE PROPOSED SPIN-OFF

The Proposed Spin-off will accelerate enterprise value enhancement and realisation:

- (1) upon the spin-off and listing, SMART Connection Technology as an independent listed company can strengthen its financing ability and operational flexibility, better attract talents and strategic partners, enhance its competitiveness, accelerate its business development and improve returns, and release its value in a better way;
- (2) upon the spin-off and listing, the Company as the controlling shareholder of SMART Connection Technology will benefit from its value enhancement and realisation;
- (3) in the future, through strategic cooperation between the two parties, synergies between two enterprises will be achieved to enable them to take advantage of each other's strengths, so as to promote accelerated development of both parties.

Shareholders and potential investors of the Company are reminded that the above is only a preliminary plan for the Proposed Spin-off. As of the date of this announcement, particulars of the Proposed Spin-off have not yet been finalised. The Company will make further announcements on the Proposed Spin-off when appropriate or in accordance with the requirements of the Listing Rules. The Proposed Spin-off is subject to, among other things, the approval of the relevant regulatory authorities and compliance with market conditions. There is no assurance as to whether, and if so when, the Proposed Spin-off will take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board of
China Unicom (Hong Kong) Limited
Yung Shun Loy Jacky
Company Secretary

Hong Kong, 19 August 2021

As at the date of this announcement, the Board of Directors of the Company comprises :

Executive directors	:	Wang Xiaochu and Chen Zhongyue
Independent non-executive director	:	Cheung Wing Lam Linus, Wong Wai Ming, Chung Shui Ming Timpson and Law Fan Chiu Fun Fanny