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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)

Voluntary Announcement

**Signing of Cooperation Agreement in Relation to Comprehensive Reform Under the
“Double-hundred Action” by China Unicom Yunnan with
Partners**

Reference is made to the announcement of China Unicom (Hong Kong) Limited (the “Company”) dated 28 October 2018 (the “Announcement”) in relation to the open recruitment of contract-out operational partners for China Unicom Yunnan through CUCL, a wholly-owned subsidiary of the Company. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 17 May 2019, China Unicom Yunnan entered into *the Cooperation Agreement in Relation to Comprehensive Reform Under the “Double-hundred Action” of Yunnan Branch of China United Network Communications Corporation Limited* (the “Cooperation Agreement”) with Hengtong Optic-Electric Co., Ltd. (“Hengtong”), Ningbo Akin Electronic Technology Co., Ltd. (“Akin”) and Beijing Ichinae Science & Technology Co., Ltd. (“Ichinae”) (Hengtong, Akin and Ichinae are hereinafter collectively referred to as the “Partners”, and individually as a “Partner”), relating to, among others, investment in the construction of access network assets of China Unicom Yunnan, establishment of a provincial operating company and innovative business platform, and cooperation in relation to contract-out of China Unicom Yunnan’s operations.

The cooperation under the Cooperation Agreement mainly involves:

1. Investment in the construction of access network assets

The Partners will invest in the construction of access network assets in 16 prefectures and cities in Yunnan Province during the cooperation period.

2. Establishment of Yunnan provincial operating company and innovative business platform

CUCL or its designated investment entity will, together with the Partners or their respective wholly owned subsidiaries, make capital contribution to establish Yunnan provincial operating company. The establishment of the Yunnan provincial operating company does not constitute a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Partners will establish an innovative business platform

with the Yunnan provincial operating company, tentatively in the form of a limited partnership, which shall be responsible for the investment in and establishment of the provincial innovative business platform, the internal incubation of, and the external equity investment for, the innovative business.

3. Cooperation in relation to contract-out of operations

China Unicom Yunnan will carry out comprehensive cooperation with the Partners within the scope of business as stipulated in its business licences and within the scope that China Unicom has entrusted China Unicom Yunnan to conduct business (the “Scope of Contracted Business”), which includes the following:

- (1) At Yunnan provincial level: China Unicom Yunnan will enter into an entrusted contract-out operation agreement with the Yunnan provincial operating company under which (A) China Unicom Yunnan shall authorise the Yunnan provincial operating company to conduct business in the name of China Unicom Yunnan within the Scope of Contracted Business and to manage some of the assets of China Unicom Yunnan; and (B) the Yunnan provincial operating company shall be accountable to the operating profit of China Unicom Yunnan, and the Yunnan provincial operating company shall make up to China Unicom Yunnan for any shortfall below the profit targets and shall be entitled to any portion in excess of the profit targets.
- (2) At the prefectural and city level of Yunnan Province: During the period of cooperation, China Unicom Yunnan will enter into entrusted contract-out operation agreements with the operating companies controlled by the Partners respectively at the prefectural and city level (the “Operating Companies at the Prefectural and City Level”) under which (A) China Unicom Yunnan will cooperate with the Partners in accordance with the geographical division determined in the shortlisting process and shall authorise the Operating Companies at the Prefectural and City Level to conduct business in the name of the branch companies of China Unicom Yunnan at the prefectural and city level at their relevant prefectures and cities within the Scope of Contracted Business; and (B) the Operating Companies at the Prefectural and City Level shall be accountable to the operating profit of their respective prefecture or city, and the Operating Companies at the Prefectural and City Level together with their respective controlling Partners shall make up to China Unicom Yunnan for any shortfall below the profit targets and the Operating Companies at the Prefectural and City Level or their respective controlling Partners shall be entitled to any portion in excess of the profit targets.

The Cooperation Agreement shall be valid for a term of ten years and shall become effective after all parties have completed their respective internal approval or authorisation procedures and have also signed and sealed on the Cooperation Agreement.

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

Hong Kong, 17 May 2019

Forward-looking Statements

Certain statements contained in this announcement may be viewed as “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). 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. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.

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

Executive Directors: Wang Xiaochu, Li Guohua, Li Fushen, Shao Guanglu and Zhu Keping

Non-executive Director: Cesareo Alierta Izuel

Independent Non-executive Directors: Cheung Wing Lam Linus, Wong Wai Ming, Chung Shui Ming Timpson and Law Fan Chiu Fun Fanny