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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: 762)

**2024 ANNUAL RESULTS ANNOUNCEMENT AND
CLOSURE OF REGISTER OF MEMBERS**

Highlights:

- **Operating revenue grew steadily, reaching RMB389.6 billion, up by 4.6% year-on-year. The profit attributable to equity shareholders of the Company reached RMB20.6 billion, up by 10.1% year-on-year.**
- **Return on equity¹ rose to 5.8%.**
- **In 2024, capital expenditure was RMB61.37 billion, down by 17% year-on-year. Within that, computing power investment increased by 19% year-on-year.**
- **The Board of Directors proposed a final dividend of RMB0.1562 per share (pre tax). Together with the interim dividend of RMB0.2481 per share (pre tax) already paid, the full-year dividend reached RMB0.4043 per share (pre tax), representing a year-on-year increase of 20.1%, significantly higher than earnings growth. The dividend payout ratio reached 60% in 2024, up by 5 percentage points year-on-year.**

CHAIRMAN’S STATEMENT

Dear Shareholders,

In 2024, China Unicom focused on the two main businesses, namely Connectivity and Communications (CC) and Computing and Digital Smart Applications (CDSA), with the aim of advancing network innovation, technology innovation and service innovation, and achieving new breakthroughs in high-quality development.

OVERALL RESULTS

In 2024, the Company’s operating revenue grew steadily, reaching RMB389.6 billion, up by 4.6% year-on-year, leading the industry in growth rate. CC business revenue^{2,3} accounted for 76% of service revenue, and grew by 1.5% year-on-year. CDSA business revenue⁴ accounted for 24% of service revenue, and grew by 9.6% year-on-year. Profitability continued to improve, with profit attributable to equity shareholders of the Company reaching RMB20.6 billion, up by 10.1% year-on-year, and return on equity (ROE)¹ rising to 5.8%.

The Company highly values shareholder return and is committed to sharing the fruits of development with shareholders. In view of the good performance over the past year, the Board of Directors proposed a final dividend⁵ of RMB0.1562 per share (pre tax). Together with the interim dividend of RMB0.2481 per share (pre tax) already paid, the full-year dividend reached RMB0.4043 per share (pre tax), representing a year-on-year increase of 20.1%. In 2024, the dividend payout ratio reached 60%, up by 5 percentage points year-on-year.

CC business provided steady support. Subscriber scale reached another record high. The total number of mobile and broadband subscribers reached 470 million, with a net addition of 19.52 million. The number of Internet of Things (IoT) connections exceeded 620 million, with a net addition of 130 million. The number of Internet of Vehicles (IoV) connections reached 76 million, maintaining the leading position in industry. Gewu Industrial Internet platform managed over 12 million devices, accounting for 1/8 of the total number of devices nationwide.

CDSA business grew with quality enhancement. Unicom Cloud revenue⁶ was RMB68.6 billion, up by 17.1% year-on-year, and IDC revenue was RMB25.9 billion, up by 7.4% year-on-year. Intelligent computing business drove strong growth in computing power services, with newly signed contract value exceeding RMB26 billion last year.

NETWORK INNOVATION

The Company built new infrastructure that is fast, ubiquitous, integrated with computing-networks, green and low-carbon. It enhanced network intelligence to solidify the foundation for high-quality development. The Company adhered to a precise and moderate investment strategy, comprehensively deepened co-build co-share, and promoted intelligent operations across the entire network, striving to build an ultra-lean network, thereby achieving coordinated development of connectivity and computing networks as well as synergetic domestic and international deployment.

In 2024, the Company's capital expenditure was RMB61.37 billion, down by 17% year-on-year. Within that, computing power investment increased by 19% year-on-year, with better network quality and higher efficiency. Mobile network population coverage rate reached 99%, up by nearly 1 percentage point, benefiting millions of customers. The number of broadband network ports increased by 5% year-on-year, benefiting tens of millions of households. Equipment consolidation and AI empowerment have shown significant results, saving RMB1.9 billion in operating expenses (OPEX) annually, with energy consumption per unit of business decreasing by 10%.

The Company promoted the capability upgrade of its mobile and broadband networks, achieving wider coverage and better experience. The number of mobile network base stations exceeded 4.5 million, with deeper network coverage in key scenarios such as high-speed rail, subways, popular tourist attractions, and densely populated residential areas. It accelerated the large-scale commercialisation of 5G-A by deploying carrier aggregation in 300 cities to achieve 10-gigabit downlink and gigabit uplink ultra-high speed. RedCap upgrade was carried out in 150 cities, enabling full-spectrum and universal-mode applications. The number of broadband network ports reached 280 million, with 10G PON ports accounting for more than 80%, supporting the rapid growth of gigabit broadband subscribers. It accelerated the construction of 10-gigabit optical networks to assist Beijing, Tianjian, Shanghai, Guangzhou, Shenzhen, etc. in becoming the first double 10-gigabit cities.

The Company enriched computing power and computing-network innovative supply, with larger scale and stronger capabilities. It accelerated the upgrade from IDC to AIDC and from general computing to intelligent computing. It constructed large-scale intelligent computing centres in Shanghai, Guangdong, Hong Kong, Inner Mongolia, Ningxia, Guizhou, etc. It established over 300 integrated training and inference computing resource pools, with intelligent computing capacity exceeding 17 EFLOPS, better meeting the demand for AI training and inference. It has built a computing power intelligent network (AINet), fully covering eight national computing hubs and 22 provincial backbone nodes. It upgraded Unicom Cloud "Xingluo" computing power allocation platform to enhance the intelligent allocation across the entire network.

The Company built a robust and widespread international network with computing-network integration, stronger presence and richer resources. It enhanced the backbone capacity in Asia-Pacific, Asia-America and Asia-Africa-Europe directions, established new international exchanges in Qingdao and Haikou, constructed over 60 submarine and terrestrial cables and over 400 points of presence (POP), covering over 200 countries and regions. Leveraging the role of the Hong Kong Tseung Kwan O Data Centre as a hub, the Company aggregated its own computing power in Tokyo, Singapore, and Frankfurt, etc. to connect with the resource pools of over 50 leading global cloud service providers, providing high-quality computing network services to global customers.

TECHNOLOGY INNOVATION

The Company deepened the integration and innovation of communication technology (CT), information technology (IT), data technology (DT), artificial intelligence technology (AI), and operational technology (OT) to enhance the Company's intrinsic vibrancy and core strength.

The Company continued to increase investment in innovation, with R&D expenses up by 9.1% year-on-year. It recruited and cultivated more top-notch technological talents, with the proportion of technological innovation talents reaching 42%, and the proportion of R&D personnel nearly 10%. **It continuously improved its innovation system,** establishing innovation entities in Beijing-Tianjin-Hebei, the Yangtze River Delta, and the Guangdong-Hong Kong-Macau Greater Bay Area, etc. In particular, it consolidated professional institutions in Big Data and artificial intelligence to establish China Unicom Data Intelligence Co., Ltd. and Data Science and Artificial Intelligence Research Institute, to create a highland of digital intelligence technology and industry. Since last year, we have made a series of landmark achievements, such as winning the First Prize for National Science and Technology Progress and the GSMA Global Mobile Awards.

The Company made advance deployment for the next-generation Internet. Leveraging the role of the National Engineering Research Centre as an innovation driver, the Company advanced the innovation in "Internet 2030" basic protocols and system architecture, and conducted validation on performance attributes such as network-wide interconnection, deterministic carriage, AI-native features, and computing-network integration. It conducted research on key technologies such as wide-area lossless transmission and inter-network computing power allocation. It achieved for the first time lossless data transmission over more than 3,000 km as well as storage-computation separation of data set across 200 km, enhancing the throughput, performance, and intelligence of AINet. The Company built and operated Sanjiangyuan Park which demonstrates integration of green power with intelligent computing, a 10,000-accelerator Green Computing Centre in Qinghai, achieving computing-network and computing-electricity integration, with the average cluster utilisation rate expected to exceed 60%.

The Company accelerated the R&D and application of next-generation mobile communications. It conducted research on key 5G-A technologies such as millimetre wave (mmWave), multi-frequency sensing, and reconfigurable intelligent surfaces (RIS), applying them to key scenarios in the IoT, IoV and industrial Internet. This supports efficient inference through edge-cloud collaboration, real-time computation through vehicle-cloud collaboration, and rapid switching of flexible production lines. It conducted research on key technologies such as ultra-low latency, high-precision positioning, and dense sensing in low-altitude intelligent networks and satellite internet. It established national-class test zones in Anyang, Nanjing, etc., to promote integrated innovation across air, space, land and sea. The Company engaged in 6G standard development, technology R&D and validation to prepare for 6G industry development.

The Company promoted the integrated innovation of data and AI in a unified manner. By deeply cultivating Big Data business, the Company built high-quality data sets that aggregate internal and external, multi-industry data, and made breakthroughs in key technologies such as dynamic generation of vector data and distributed collaborative computing. It established a technologically advanced, high-performance, and cross-domain integrated data platform, and upgraded Trusted Data Space, consolidating its leading data governance and data security capabilities. **The Company developed the UniAI large model** with breakthroughs in key technologies such as adaptive slow thinking and asymmetric mixture of experts (MoE) architecture, ranking among the top in international benchmarks of language, multi-modal, speech and visual models. In particular, in industrial Internet, the Gewu platform has integrated with the UniAI large model to generate precise mappings of over 1,000 industrial equipment object models, comprehensively enhancing the convenience of application development. It has created a software gateway that automatically parses over 100 industrial protocols, significantly improving the efficiency of equipment connectivity.

SERVICE INNOVATION

The Company fully embraced artificial intelligence and launched a series of new AI products and services, in order to tap into this vast market and enhance its value creation capability.

Innovative upgrade in digital smart services. The Company provided public customers with smart living services in different scenarios. It launched AI agents such as 5G New Calling, “Smart Home Tone” robot and smart customer service. The Company iteratively upgraded its Smart Home platform, leading to scale development of products such as Unicom Cloud Handset, Unicom Cloud Drive, Unicom Housekeeper, and Unicom UHD. There were over 180 million Unicom Cloud Drive subscribers, and over 50 million Unicom UHD subscribers. Adhering to business integration and market convergence, the Company’s subscriber structure continued to be optimised. The penetration of integrated subscribers exceeded 77%. Subscriber value continued to rise and the ARPU of integrated package subscribers exceeded RMB100.

Unicom Cloud Intelligent Upgrade. The Company achieved integrated operation of intelligent computing and general computing, integrating key capabilities such as AI model training and inference, native storage, lossless network, and cluster coordination, providing services such as intelligent computing, data, and models, flexibly meeting the one-stop service needs of artificial intelligence. China Unicom, as the official partner of telecom and cloud services for Harbin Asian Winter Games, achieved integrated innovation of 5G-A network and high-definition cloud broadcasting, supporting the cloudified and hi-tech Asian Winter Games. In particular during the Two Sessions this year, China Unicom’s UniAI MaaS platform integrated reasoning capability and security technology to develop 5G rich media and AI agents, demonstrating the great potential of the integrated innovation of digital technology and media communication.

Digital smart applications made a breakthrough in scale. The Company **focused on the industrial Internet**, and leveraged on the edges of 5G private networks and the Gewu platform to integrate industrial Big Data and large industrial models to effectively empower production scenarios such as design simulation, control optimisation, and predictive maintenance. It has cumulatively implemented over 29,000 industrial Internet projects and established over 7,100 5G factories, achieving leadership in service capability and market position. **Focusing on digital government service**, the Company enhanced its integrated capabilities in government networks, cloud, Big Data, and intelligent applications, empowering the intelligent upgrade of service hotlines and intelligent urban governance, enhancing digital government service capability. Intelligence services revenue reached RMB 7.1 billion, up by 26.5% year-on-year. Data services revenue reached RMB6.4 billion, up by 20.8% year-on-year.

The Company fully rebranded its international business. In 2024, its international business growth accelerated, with revenue reaching RMB12.5 billion, up by 15.2% year-on-year. It established branches in Saudi Arabia, Peru, the United Arab Emirates (UAE), Uzbekistan, etc. to better serve the global roaming and digital needs of customers. In particular, the Company leveraged its globally integrated IoV operational advantages to serve the overseas expansion of leading Chinese automotive enterprises and to facilitate the development of the intelligent connected new energy vehicle industry. In December last year, the Company launched its international brand UniCom, further accelerating the pace of international development and enhancing globalised operations.

SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

The Company actively fulfils its corporate ESG responsibilities.

In terms of green practices, the Company released a Green Action Plan, in an effort to deepen network energy conservation, explore computing-electricity synergy and adopt clean energy. 22 data centres were rated as the national green data centres.

In terms of livelihood support, the Company upgraded the “Unicom Digital Village” platform, serving 260,000 administrative villages and 280 million villagers, and assisting in the comprehensive rural revitalisation. It deeply advanced universal telecommunication services to help bridge the digital divide. Smart elderly assistance centres have been set up in 8,000 business outlets.

In terms of corporate governance enhancement, the Company built a strong enterprise with digital intelligence, and advanced the intelligent upgrade of corporate management, operations, and services. It actively assumed its responsibilities as a listed company by establishing a market value management system and conducting over 160 investor events, leading to a more open, transparent, and credible image as a listed company. The Company was awarded multiple accolades, including ranking 279th in the 2024 Fortune Global 500, ranking 299th in the Forbes Global 2000, being named “Asia’s Most Honoured Telecom Company” by Institutional Investor for nine consecutive years, and winning the Gold Award for “Best Managed Company in China” in the “Asia’s Best Managed Companies Poll 2024” organised by FinanceAsia.

OUTLOOK

In the past year, the Company embraced intelligence and moved forward with innovation. It made every effort to strengthen its capabilities, optimise structure, improve quality, and enhance efficiency, achieving a new level in business development. In 2025, revenue, profit, and ROE are expected to achieve sound growth. Capital expenditure is expected to be around RMB55.0 billion. Within that, computing power investment is expected to increase 28% year-on-year. In addition, we have allocated special budget for key infrastructure and major projects in artificial intelligence. The Company will deeply implement the integrated innovation strategy, continuously advance the “Three Innovations”, striving to achieve more robust innovation momentum, stronger capability advantages, more optimised business structure, better operational efficiency, and an outstanding brand image.

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

Chen Zhongyue

Chairman and Chief Executive Officer

Hong Kong, 18 March 2025

- Note 1:* Return on equity = Profit attributable to equity shareholders of the Company during the period/Average balance of equity attributable to equity shareholders of the Company at the beginning and end of the period.
- Note 2:* CC business includes six major categories: mobile connectivity, broadband connectivity, TV connectivity, leased line connectivity, communications service, and information service.
- Note 3:* From 2024 onwards, interconnection revenue is classified as CC business revenue based on its business attributes during revenue analysis, and relevant data in 2023 are presented on the same basis.
- Note 4:* CDSA business includes six major categories: Unicom Cloud, IDC, system integration, data services, intelligence services and cybersecurity.
- Note 5:* The proposed 2024 final dividend is subject to approval at the annual general meeting of the Company.
- Note 6:* To reflect the business opportunities brought by the development of artificial intelligence in terms of general computing and intelligent computing, the scope of Unicom Cloud revenue has been optimised to include revenue from cloud IDC, cloud resources, cloud platform, cloud service, cloud integration, cloud interconnection, cloud security, etc. generated from integrated innovative solutions.

GROUP RESULTS

China Unicom (Hong Kong) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 which were extracted from the audited consolidated financial statements of the Group as set out in the Company’s 2024 annual report.

CONSOLIDATED STATEMENT OF INCOME

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

	Note	Year ended 31 December	
		2024	2023
Revenue	5	389,589	372,597
Interconnection charges		(11,224)	(11,294)
Depreciation and amortisation		(83,392)	(84,847)
Network, operation and support expenses		(64,320)	(60,026)
Employee benefit expenses		(64,931)	(62,939)
Costs of telecommunications products sold		(42,466)	(36,403)
Other operating expenses		(107,223)	(102,123)
Finance costs		(1,784)	(1,981)
Interest income		1,981	2,105
Share of net profit of associates		2,592	2,519
Share of net profit of joint ventures		1,481	1,803
Other income – net		4,951	3,534
Profit before income tax		25,254	22,945
Income tax expenses	6	(4,521)	(4,023)
Profit for the year		<u>20,733</u>	<u>18,922</u>
Profit attributable to:			
Equity shareholders of the Company		20,613	18,726
Non-controlling interests		120	196
Profit for the year		<u>20,733</u>	<u>18,922</u>
Earnings per share for profit attributable to equity shareholders of the Company during the year:			
Basic earnings per share (RMB)	7	<u>0.67</u>	<u>0.61</u>
Diluted earnings per share (RMB)	7	<u>0.67</u>	<u>0.61</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(All amounts in RMB millions)

	Year ended 31 December	
	2024	2023
Profit for the year	<u>20,733</u>	<u>18,922</u>
Other comprehensive income		
Items that will not be reclassified to statement of income:		
Changes in fair value of financial assets measured at fair value through other comprehensive income (“FVOCI”) (non-recycling)	165	195
Tax effect on changes in fair value of financial assets measured at FVOCI (non-recycling)	<u>(7)</u>	<u>(4)</u>
Changes in fair value of financial assets measured at FVOCI, net of tax (non-recycling)	158	191
Others	<u>(33)</u>	<u>(5)</u>
	<u>125</u>	<u>186</u>
Items that may be reclassified subsequently to statement of income:		
Changes in fair value of financial assets measured at FVOCI, net of tax (recycling)	14	43
Share of other comprehensive income of associates	–	2
Currency translation differences	<u>124</u>	<u>88</u>
	<u>138</u>	<u>133</u>
Other comprehensive income for the year, net of tax	<u>263</u>	<u>319</u>
Total comprehensive income for the year	<u><u>20,996</u></u>	<u><u>19,241</u></u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	20,875	19,038
Non-controlling interests	<u>121</u>	<u>203</u>
Total comprehensive income for the year	<u><u>20,996</u></u>	<u><u>19,241</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in RMB millions)

		As at 31 December	
	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment		351,530	355,995
Right-of-use assets		47,522	52,608
Goodwill		2,771	2,771
Interest in associates		45,058	44,188
Interest in joint ventures		11,453	10,240
Deferred income tax assets		1,256	817
Contract assets		77	86
Contract costs		8,868	8,493
Amounts due from related parties		3	–
Financial assets measured at fair value		4,667	5,217
Long-term bank deposits		15,185	–
Other assets		24,047	22,535
		<u>512,437</u>	<u>502,950</u>
Current assets			
Inventories		2,463	2,217
Contract assets		275	279
Accounts receivable	8	53,730	38,692
Prepayments and other current assets		27,590	26,208
Amounts due from ultimate holding company		5,113	4,610
Amounts due from related parties		1,387	588
Amounts due from domestic carriers		4,386	2,267
Financial assets measured at fair value		9,150	24,428
Short-term bank deposits and restricted deposits		26,226	11,079
Cash and cash equivalents		28,480	47,733
		<u>158,800</u>	<u>158,101</u>
Total assets		<u><u>671,237</u></u>	<u><u>661,051</u></u>

		As at 31 December	
	Note	2024	2023
EQUITY			
Equity attributable to equity shareholders of the Company			
Share capital		254,056	254,056
Reserves		(10,378)	(12,912)
Retained profits			
– Proposed final dividend	9	4,779	4,088
– Others		112,588	106,242
		<u>361,045</u>	<u>351,474</u>
Non-controlling interests		<u>2,525</u>	<u>2,424</u>
Total equity		<u><u>363,570</u></u>	<u><u>353,898</u></u>
LIABILITIES			
Non-current liabilities			
Long-term bank loans		1,170	1,252
Lease liabilities		24,222	30,617
Deferred income tax liabilities		1,306	600
Deferred revenue		8,229	9,212
Amounts due to ultimate holding company		958	881
Other obligations		1,110	939
		<u>36,995</u>	<u>43,501</u>

		As at 31 December	
	Note	2024	2023
Current liabilities			
Short-term bank loans		711	681
Current portion of long-term bank loans		243	354
Lease liabilities		13,419	12,640
Accounts payable and accrued liabilities	10	163,367	161,279
Bills payable		5,296	6,275
Taxes payable		2,683	3,547
Amounts due to ultimate holding company		2,026	1,033
Amounts due to related parties		29,311	25,924
Amounts due to domestic carriers		4,159	2,959
Current portion of other obligations		2,495	2,493
Contract liabilities		46,739	46,179
Advances from customers		223	288
		<u>270,672</u>	<u>263,652</u>
Total liabilities		<u>307,667</u>	<u>307,153</u>
Total equity and liabilities		<u>671,237</u>	<u>661,051</u>
Net current liabilities		<u>(111,872)</u>	<u>(105,551)</u>
Total assets less current liabilities		<u>400,565</u>	<u>397,399</u>

NOTES (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 principal activities of the Company’s subsidiaries are the provision of comprehensive telecommunications services. The Company and its subsidiaries are hereinafter referred to as the “Group”. The address of the Company’s registered office is 75th Floor, The Center, 99 Queen’s Road Central, Hong Kong.

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

The substantial shareholders of the Company are China Unicom (BVI) Limited (“Unicom BVI”) and China Unicom Group Corporation (BVI) Limited. The majority of equity interests in Unicom BVI is owned by China United Network Communications Limited, 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. STATEMENT OF COMPLIANCE

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

The financial information relating to the financial years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those financial years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company’s auditor has reported on those financial statements. The auditor’s reports were 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 section 406(2), 407(2) or (3) of the Companies Ordinance.

3. BASIS OF PREPARATION

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

(a) Going Concern Assumption

As at 31 December 2024, current liabilities of the Group exceeded current assets by approximately RMB111.9 billion (2023: approximately RMB105.6 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 RMB229.1 billion of revolving banking facilities of which approximately RMB220.9 billion was unutilised as at 31 December 2024; 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 consolidated financial statements of the Group for the year ended 31 December 2024 have been prepared on a going concern basis.

(b) Accounting Standards Amendments

- (i) The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group:
- Amendments to HKFRS 16, "Lease Liability in a Sale and Leaseback"
 - Amendments to HKAS 1, "Classification of Liabilities as Current or Non-current" and related amendments to Hong Kong Interpretation 5 (2020)
 - Amendments to HKAS 1, "Non-current Liabilities with Covenants"
 - Amendments to HKAS 7 and HKFRS 7, "Supplier Finance Arrangements"

In addition, the Group applied the agenda decision of the International Financial Reporting Standard Interpretations Committee of the International Accounting Standard Board (the "Committee"), including "Climate-related Commitments" (IAS 37, "Provisions, Contingent Liabilities and Contingent Assets"), which is relevant to the Group. The Committee's agenda decisions include explanatory material that explains how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision. Given that HKFRSs Standards are largely converged aligned with IFRS Accounting Standards, the agenda decision of the Committee is equally applicable for entities reporting under HKFRSs.

The application of the above amendments and agenda decision have had no material effect on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

(ii) New standard and amendments to HKFRSs in issue but not yet effective:

The HKICPA has issued a number of new and amendments to HKFRSs which are not yet effective for the year ended 31 December 2024 and which have not been early adopted in these consolidated financial statements.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, “Lack of Exchangeability”	1 January 2025
Amendments to HKFRS 9 and HKFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”	1 January 2026
Amendments to HKFRS 9 and HKFRS 7, “Contracts Referencing Nature-dependent Electricity”	1 January 2026
Amendments to HKFRS 10 and HKAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	to be determined
Amendments to HKFRS Accounting Standards, “Annual Improvements to HKFRS Accounting Standards — Volume 11”	1 January 2026
HKFRS 18, “Presentation and Disclosure in Financial Statements”	1 January 2027

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

HKFRS 18, “Presentation and Disclosure in Financial Statements”

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

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

4. SEGMENT INFORMATION

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

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

The Group primarily operates in 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. The VAT rates for basic telecommunications services and value-added telecommunications services are 9% and 6%, respectively, while VAT rate for sales of telecommunications products is 13%. Basic telecommunications services include business activities for the provision of voice services, and transmission lines usage and associated services etc. Value-added telecommunications services include business activities for the provision of short message service and multimedia message service, broadband and mobile data services, and data and internet application services etc. VAT is excluded from the revenue.

	<u>2024</u>	<u>2023</u>
Total service revenue	345,975	335,170
Sales of telecommunications products	<u>43,614</u>	<u>37,427</u>
Total	<u><u>389,589</u></u>	<u><u>372,597</u></u>

6. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Taxation on profits outside Hong Kong has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates. The Company's subsidiaries operate mainly in Mainland China and the applicable statutory enterprise income tax rate is 25% (2023: 25%). Taxation for certain subsidiaries in Mainland China was calculated at a preferential tax rate of 15% (2023: 15%).

	<u>2024</u>	<u>2023</u>
Provision for estimated assessable profits for the year		
– Hong Kong profits tax	72	77
– Mainland China and other jurisdictions income tax	4,090	4,630
Under/(over) tax provision in respect of prior years	<u>72</u>	<u>(8)</u>
	<u>4,234</u>	<u>4,699</u>
Deferred taxation	<u>287</u>	<u>(676)</u>
Income tax expenses	<u>4,521</u>	<u>4,023</u>

7. EARNINGS PER SHARE

Basic earnings per share for the years ended 31 December 2024 and 2023 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the years.

Diluted earnings per share for the years ended 31 December 2024 and 2023 were computed by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the years, after adjusting for the effects of the dilutive potential ordinary shares. There were no dilutive potential ordinary shares for the years ended 31 December 2024 and 2023.

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

	<u>2024</u>	<u>2023</u>
Numerator (in RMB millions):		
Profit attributable to equity shareholders of the Company used in computing basic/diluted earnings per share	<u>20,613</u>	<u>18,726</u>
Denominator (in millions):		
Number of ordinary shares outstanding used in computing basic/diluted earnings per share	<u>30,598</u>	<u>30,598</u>
Basic/Diluted earnings per share (in RMB)	<u>0.67</u>	<u>0.61</u>

8. ACCOUNTS RECEIVABLE

The aging analysis of accounts receivable, based on the billing date and net of credit loss allowance, is as follows:

	<u>2024</u>	<u>2023</u>
Within one month	16,037	12,429
More than one month but not more than three months	9,457	7,524
More than three months but not more than one year	20,417	15,024
More than one year	7,819	3,715
	<u>53,730</u>	<u>38,692</u>

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.

9. DIVIDENDS

At the annual general meeting held on 19 May 2023, the shareholders of the Company approved the payment of a final dividend of RMB0.109 per ordinary share for the year ended 31 December 2022, totaling approximately RMB3,335 million which has been reflected as a reduction of retained profits for the year ended 31 December 2023.

At the annual general meeting held on 30 May 2024, the shareholders of the Company approved the payment of a final dividend of RMB0.1336 per ordinary share for the year ended 31 December 2023, totaling approximately RMB4,088 million which has been reflected as a reduction of retained profits for the year ended 31 December 2024.

At a meeting held on 15 August 2024, the Board of Directors of the Company declared the payment of 2024 interim dividend of RMB0.2481 per ordinary share to the shareholders totalling approximately RMB7,591 million. At a meeting held on 18 March 2025, the Board of Directors of the Company proposed the payment of a final dividend of RMB0.1562 per ordinary share to the shareholders for the year ended 31 December 2024 totaling approximately RMB4,779 million. The proposed dividend has not been reflected as a dividend payable in the consolidated financial statements as at 31 December 2024, but will be reflected in the consolidated financial statements for the year ending 31 December 2025.

	<u>2024</u>	<u>2023</u>
Declared and paid interim dividend:		
RMB0.2481 (2023: RMB0.203) per ordinary share by the Company	7,591	6,211
Proposed/paid final dividend:		
RMB0.1562 (2023: RMB0.1336) per ordinary share by the Company	<u>4,779</u>	<u>4,088</u>
	<u>12,370</u>	<u>10,299</u>

Pursuant to the PRC enterprise income tax law, a 10% withholding income tax is levied on dividends declared on or after 1 January 2008 by foreign investment enterprises to their foreign enterprise shareholders unless the enterprise investor is deemed as a PRC Tax Resident Enterprise (“TRE”). On 11 November 2010, the Company obtained an approval from the State Taxation Administration of the PRC, pursuant to which the Company qualifies as a PRC TRE from 1 January 2008. Therefore, as at 31 December 2024, the Company’s subsidiaries in the PRC did not accrue for withholding tax on dividends distributed to the Company and there has been no deferred tax liability accrued in the Group’s consolidated financial statements for the undistributed profits of the Company’s subsidiaries in the PRC.

For the Company’s non-PRC TRE shareholders (including HKSCC Nominees Limited), the Company would distribute dividends after deducting the amount of enterprise income tax payable by these non-PRC TRE shareholders thereon and reclassify the related dividend payable to withholding tax payable upon the declaration of such dividends. The requirement to withholding tax does not apply to the Company’s shareholders appearing as individuals in its share register.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	<u>2024</u>	<u>2023</u>
Less than six months	125,314	137,565
Six months to one year	15,940	7,803
More than one year	<u>22,113</u>	<u>15,911</u>
	<u>163,367</u>	<u>161,279</u>

11. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

Proposed final dividend

After the date of the statement of financial position, the Board of Directors proposed a final dividend for the year of 2024. For details, please refer to Note 9.

BUSINESS OVERVIEW

In 2024, China Unicom actively served the national strategy, accelerated the progress of crucial tasks such as innovation-driven development, open integration, enterprise reform, and system establishment. The Company has accelerated breakthroughs in key bottlenecks such as technological research and foundational management. The Company adhered to the guiding principle of seeking progress while maintaining stability, with overall business and operations showing a positive trend, improved structure, enhanced quality, and strengthened momentum for high-quality development.

The supporting effect of Connectivity and Communications (CC) business has become more prominent. Firstly, the Company made every effort to stabilise operations and promote development, achieving positive progress in coordinating effective quality enhancement and reasonable quantity growth. Secondly, the Company adhered to new integration as the key tactic to promote scale development and value enhancement. Its mobile connectivity and broadband connectivity experienced steady growth, with FTTR, where the Company maintained an industry-leading market share, becoming the primary driver of revenue growth. Its mobile billing subscriber scale exceeded 340 million, with a cumulative net addition of 10.68 million. Its fixed-line broadband subscriber scale exceeded 120 million, with a cumulative net addition of 8.84 million. Both mobile and broadband subscriber scales reached historical highs. **Thirdly, the Company made innovative breakthroughs in TV connectivity and information services.** The subscriber base for key products such as Unicom UHD, Unicom Cloud Drive, and Unicom Housekeeper continuously increased and led to significant revenue growth. To facilitate the upgrade of digital consumption and achieve product integration with cloud, AI, security, and communication, the Company launched new products such as Unicom Cloud Phone, Unicom Cloud Computer, Unicom Security Manager, and Unicom Family V-Net. **Fourthly, the scale of Internet of Things (IoT) connections increased rapidly,** with more than 620 million IoT connections and the scale of 5G IoT business led the industry. The scale of Internet of Vehicles (IoV) connections exceeded 76 million, ranking first in the industry.

The development capabilities of Computing and Digital Smart Applications (CDSA) business have been continuously strengthened. Firstly, Unicom Cloud’s market share in key areas such as government clouds, medical clouds, and SOEs’ cloudification continued to expand, creating over a thousand self-developed cloud benchmark projects. Unicom Cloud’s cloud resource pool experienced rapid growth with doubled sale scale. Key products such as Video Cloud and Cloud Desktop tripled in sales year-on-year. **Secondly, the Company seized the development opportunities of artificial intelligence and the national “Eastern Data and Western Computing” strategy,** deeply cultivating industry markets in the data centre business and driving the increase in business share of data centre. **Thirdly, the Company’s data service revenue maintained rapid growth,** the big data market share among operators and leading for 6 consecutive years. China Unicom was the first in the industry to launch the Union Data Network and Trusted Data Resource Space products, actively positioning itself for data factor reform. **Fourthly, the Company achieved remarkable results in the scale development of digital smart applications,** implementing over 40,000 5G industry application projects, serving over 16,000 5G private network customers, and cumulatively building over 7,100 5G factories. The Company continuously enriched its supply of professional, specialised, digital and intelligent application products, with over 50 self-developed application products which generated revenue in excess of RMB100 million. It upgraded its 5G industry private network product system to version 4.0, and created over 10 5G RedCap industry terminals. The Gewu Unilink industrial internet platform became one of the first national-level Class A “dual-cross” platforms. **Fifthly, in terms of cybersecurity, the Company upgraded the “component + platform + service” new security operation service model based on the “Mogong” platform with Unicom’s distinctiveness.** Focusing on key areas such as urban security operations and SOEs, it successfully implemented over a hundred benchmark projects. The “Mogong” product was selected in the first list of projects for the Application Expansion Project of Central State-Owned Enterprises by the State-owned Assets Supervision and Administration Commission of the State Council, being the only product selected in the security field nationwide. **Sixthly, the Company accelerated its development in the field of artificial intelligence,** with its general large models ranking among the top five in 17 international mainstream benchmarks. Its Retrieval Augmented Generation (RAG) and AI agents received the highest ratings from the China Academy of Information and Communications Technology (CAICT). It has built 37 industry large models and created over a hundred application cases. Among them, the industry models in four sectors, namely government service hotlines, public security, economic operation, and cultural heritage and innovation have achieved large-scale replication.

The Company's high-quality network capability continuously enhanced. The Company continuously promoted the construction of mobile premium networks, broadband premium networks, and government & enterprise premium networks, establishing a solid capability foundation for CDSA. The Company focused on enhancing its core competitiveness, sustainable development capacity, and value creation ability, driving network quality to a new level and further solidifying the network foundation for China Unicom's high-quality development. **Firstly, the Company implemented the "signal upgrade" strategy by comprehensively promoting low-band sharing.** The Company had 1.375 million 5G mid-band shared base stations and 700,000 900MHz low-band base stations. The mobile network coverage rate in administrative villages achieved 99%. **Secondly, the Company continued to enhance gigabit optical network coverage,** with the number of broadband ports exceeding 280 million. It largely completed the deployment of 10G PON in developed towns and above regions, with the proportion of 10G PON ports increasing by 8.3 percentage points to 81.7%, leading the industry. **Thirdly, the Company actively constructed multi-level computing power supply.** Its IDCs fully covered the "Eastern Data and Western Computing" hub nodes, with significantly enhanced AI compatibility in core regions. The total number of cabinets exceeded 420,000, with AI-compatible power reserve increasing rapidly to 270 MW. Intelligent computing capacity exceeding 17 EFLOPS, and the cloud pools covered more than 270 cities. **Fourthly, the Company continued to improve its international network deployment,** with international submarine cable capacity exceeding 100T, international Internet outbound capacity at 5.72T, and inbound bandwidth at 6T. International roaming covered 663 operators in 264 countries and regions.

FINANCIAL OVERVIEW

I. OVERVIEW

In 2024, the Company adhered to the general principal of making progress while maintaining stability, its production and operation overall demonstrated a favorable and high-quality development trend coupled with optimised structure, improved quality and enhanced momentum. Total revenue was RMB389.59 billion in 2024, up by 4.6% year-on-year. Service revenue reached RMB345.98 billion, up by 3.2% year-on-year. The profit attributable to equity shareholders of the Company was RMB20.61 billion, up by 10.1% year-on-year.

In 2024, the Company's net cash flow from operating activities was RMB89.40 billion. Capital expenditure was RMB61.37 billion. Liabilities-to-assets ratio was 45.8% as at 31 December 2024.

II. REVENUE

In 2024, the Company's revenue was RMB389.59 billion, up by 4.6% year-on-year, of which, service revenue was RMB345.98 billion, up by 3.2% year-on-year due to continuous optimisation of the revenue mix.

The table below sets forth the Company's service revenue of the two main types of business for the years of 2024 and 2023:

(RMB in billions)	2024		2023	
	Total amount	Mix proportion	Total amount	Mix proportion
Connectivity and Communications business revenue	261.33	76.0%	257.45	77.4%
Computing and Digital Smart Applications business revenue	82.49	24.0%	75.25	22.6%

1. Connectivity and Communications business revenue¹

In 2024, revenue from Connectivity and Communications business was RMB261.33 billion, up by 1.5% year-on-year.

2. Computing and Digital Smart Applications business revenue¹

In 2024, revenue from Computing and Digital Smart Applications business was RMB82.49 billion, up by 9.6% year-on-year.

III. OPERATING COSTS

In 2024, total operating costs of the Company amounted to RMB373.56 billion, up by 4.5% 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 revenue for the years of 2024 and 2023:

(RMB in billions)	2024		2023	
	Total amount	As a percentage of revenue	Total amount	As a percentage of revenue
Operating costs	373.56	95.9%	357.63	96.0%
Include: Interconnection charges	11.22	2.9%	11.29	3.0%
Depreciation and amortisation	83.39	21.4%	84.85	22.8%
Network, operation and support expenses	64.32	16.5%	60.03	16.1%
Employee benefit expenses	64.93	16.7%	62.94	16.9%
Costs of telecommunications products sold	42.47	10.9%	36.40	9.8%
Selling and marketing expenses	36.98	9.5%	35.83	9.6%
General and administrative expenses	5.12	1.3%	5.53	1.5%
Other operating expenses	65.13	16.7%	60.76	16.3%

1. Interconnection charges

The interconnection charges were RMB11.22 billion in 2024, down by 0.6% year-on-year and, as a percentage of revenue, decreased from 3.0% in 2023 to 2.9% in 2024.

2. Depreciation and amortisation

Mainly benefiting from precise investment, network “co-build co-share” and optimisation work in recent years, depreciation and amortisation charges were RMB83.39 billion in 2024, down by 1.7% year-on-year and, as a percentage of revenue, decreased from 22.8% in 2023 to 21.4% in 2024.

3. Network, operation and support expenses

In 2024, the Company has firmly fulfilling its mission and responsibility in building a cyber-superpower and digital China. By strengthening network-industry collaboration, it drove the aggregation of network resources towards foundational key sectors and strategically positioned regions. Due to the expanding scale of network, the network, operation and support expenses were RMB64.32 billion in 2024, up by 7.2% year-on-year and, as a percentage of revenue, increased from 16.1% in 2023 to 16.5% in 2024.

4. Employee benefit expenses

In 2024, The Company deeply implemented of talent-based corporate development and continuously optimised the human resources efficiency. Employee benefit expenses were RMB64.93 billion in 2024, up by 3.2% year-on-year and, as a percentage of revenue, decreased from 16.9% in 2023 to 16.7% in 2024.

5. Costs of telecommunications products sold

Costs of telecommunications products sold were RMB42.47 billion and revenue from sales of telecommunications products were RMB43.61 billion in 2024. Gross profits on sales of telecommunications products was RMB1.14 billion.

6. Selling and marketing expenses

The Company deepened its efforts to enhance quality and efficiency improvements, with selling and marketing expenses growth remaining commensurate with revenue growth. Selling and marketing expenses were RMB36.98 billion in 2024, up by 3.2% year-on-year and, as a percentage of revenue, decreased from 9.6% in 2023 to 9.5% in 2024.

7. General and administrative expenses²

In 2024, the Company deepened its efforts to enhance quality and efficiency and continue to improve the resource allocation efficiency. General and administrative expenses were RMB5.12 billion in 2024, down by 7.4% year-on-year and, as a percentage of revenue, decreased from 1.5% in 2023 to 1.3% in 2024.

8. Other operating expenses

Other operating expenses were RMB65.13 billion in 2024, up by 7.2% year-on-year and, as a percentage of revenue, increased from 16.3% in 2023 to 16.7% in 2024, primarily due to the Company's continued efforts in promoting the development of its Computing and Digital Smart Applications business, which attributable to an increase in project costs associated with the Computing and Digital Smart Applications business.

IV. EARNINGS

(RMB in billions)	2024	2023	Change
	Total amount	Total amount	
Operating profits	16.03	14.97	7.1%
Net interest income	0.20	0.12	58.6%
Share of net profit of associates	2.59	2.52	2.9%
Share of net profit of joint ventures	1.48	1.80	-17.9%
Other income-net	4.95	3.53	40.1%
Profit before income tax	25.25	22.95	10.1%
Income tax expenses	4.52	4.02	12.4%
Profit attributable to equity shareholders of the Company	<u>20.61</u>	<u>18.73</u>	<u>10.1%</u>

1. Profit before income tax

In 2024, the Company solidly promoted high-quality development and achieved a stable growth in its business performance, resulting in a profit before income tax of RMB25.25 billion, up by 10.1% year-on-year.

2. Income tax expenses

In 2024, the Company's income tax expenses was RMB4.52 billion and the effective tax rate was 17.9%.

3. The profit attributable to equity shareholders of the Company

In 2024, the profit attributable to equity shareholders of the Company was RMB20.61 billion, up by 10.1% year-on-year. Basic earnings per share was RMB0.674, up by 10.1% year-on-year.

4. EBITDA³

In 2024, the Company's EBITDA was RMB99.42 billion, and the EBITDA as a percentage of service revenue was 28.7%.

V. CAPITAL EXPENDITURE AND CASH FLOW

In 2024, as the Company focused on strengthening network-industry collaboration and precision investment, capital expenditure of the Company totaled RMB61.37 billion. The Company's net cash flow from operating activities in 2024 was RMB89.40 billion. Free cash flow⁴ was RMB28.03 billion after deducting the capital expenditure for the year.

VI. BALANCE SHEET

The Company's total assets increased from RMB661.05 billion as at 31 December 2023 to RMB671.24 billion as at 31 December 2024. Total liabilities changed from RMB307.15 billion as at 31 December 2023 to RMB307.67 billion as at 31 December 2024. The liabilities-to-assets ratio was 45.8% as at 31 December 2024, down by 0.7 percentage point compared to last year. The Company's interest-bearing borrowings were RMB3.57 billion. The debt-to-capitalisation ratio decreased from 11.6% as at 31 December 2023 to 10.2% as at 31 December 2024. The net debt-to-capitalisation ratio was 3.1% as at 31 December 2024.

Note 1: Connectivity and Communications business revenue is the sum of relevant amounts in various types of service revenue, including revenue from voice usage and monthly fees RMB20.40 billion, revenue from broadband and mobile data services RMB154.19 billion, revenue from data and internet application services RMB16.87 billion, revenue from other value-added services RMB30.19 billion, revenue from interconnection fees RMB12.60 billion, revenue from transmission lines usage and associated services RMB24.26 billion and revenue from other services RMB2.82 billion. Computing and Digital Smart Applications business revenue consists of service revenue related to data and internet application services RMB82.49 billion. In addition to the above two business revenue, other business service revenue was RMB2.16 billion.

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

Note 3: EBITDA represents profit for the year before finance costs, interest income, shares of net profit of associates, share of net profit of joint ventures, other income-net, income tax expense, depreciation and amortisation. As the telecommunications business is a capital intensive industry, capital expenditure and finance costs may have a significant impact on the net profit of the companies with similar operating results. Therefore, the Company believes that EBITDA may be helpful in analysing the operating results of a telecommunications service operator like the Company. However, it is a non-GAAP financial measure which does not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies.

Note 4: 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.

AUDIT COMMITTEE AND EXTERNAL AUDITOR

The Audit Committee, together with the management and the auditor of the Company, Deloitte Touche Tohmatsu, have reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including the review of the audited consolidated financial statements for the financial year ended 31 December 2024.

The figures in respect of the Group's consolidated results for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of the Company's business. The Company has complied with the principals and the code provisions in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2024, 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 year ended 31 December 2024. The Company considers that, as all major decisions are made by the Board and relevant Board Committees after discussion, through supervision by the Board and the independent non-executive Directors together with effective internal control mechanism, the Company has achieved a balance of power and authority. In addition, the same individual performing the roles of the Chairman and the Chief Executive Officer can enhance the Company's efficiency in decision-making and execution, effectively capturing business opportunities. In addition, Mr. Chen Zhongyue, the Chairman of the Company, was unable to attend the annual general meeting of the Company convened on 30 May 2024 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 answer the questions raised by the shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code"), as set out in Appendix C3 to 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 year ended 31 December 2024.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any of the Company's listed securities.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 29 May 2025 (the "AGM"). Notice of AGM will be published on the Company's website at www.chinaunicom.com.hk and the website of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") at www.hkexnews.hk and (where applicable) will be dispatched to shareholders of the Company (the "Shareholders") in due course.

FINAL DIVIDEND

The Board proposed to pay a final dividend of RMB0.1562 per share (pre-tax) (the “2024 Final Dividend”), with an aggregate amount of approximately RMB4.779 billion, to the Shareholders. If approved by Shareholders at the AGM, the 2024 Final Dividend is expected to be paid in Hong Kong dollars on or about 25 June 2025 to those members registered in the Company’s register of members as at 6 June 2025 (the “Final Dividend Record Date”).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders’ rights to attend and vote at the AGM (and any adjournment thereof), and entitlement to the 2024 Final Dividend, the register of members of the Company will be closed. Details of such closures are set out below:

- (1) For ascertaining the Shareholders’ rights to attend and vote at the AGM (and any adjournment thereof):

Latest time to lodge transfer documents for registration	4:30 p.m. of 21 May 2025
Closure of register of members	From 22 May 2025 to 29 May 2025
Record date	22 May 2025

- (2) For ascertaining the Shareholders’ entitlement to the 2024 Final Dividend:

Latest time to lodge transfer documents for registration	4:30 p.m. of 5 June 2025
Closure of register of members	6 June 2025
Final Dividend Record date	6 June 2025

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the 2024 Final Dividend, all transfers, accompanied by the relevant certificates, must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, by no later than the aforementioned latest times.

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISES IN RESPECT OF 2024 FINAL DIVIDEND

Pursuant to (i) the “Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management” (the “Notice”) issued by the State Taxation Administration of the People’s Republic of China (the “STA”); (ii) the “Enterprise Income Tax Law of the People’s Republic of China” (the “Enterprise Income Tax Law”) and the “Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” (the “Implementation Rules”); and (iii) information obtained from the STA, the Company is required to withhold and pay enterprise income tax when it pays the 2024 Final Dividend to its non-resident enterprise Shareholders. The enterprise income tax is 10% on the amount of dividend paid to non-resident enterprise Shareholders (the “Enterprise Income Tax”), and the withholding and payment obligation lies with the Company.

As a result of the foregoing, in respect of any Shareholders whose names appear on the Company's register of members on the Final Dividend Record Date and who are not individuals (including HKSCC Nominees Limited, other custodians, corporate nominees and trustees such as securities companies and banks, and other entities or organisations), the Company will distribute the 2024 Final Dividend payable to them after deducting the amount of Enterprise Income Tax payable on such dividend. Investors who invest in the shares in the Company listed on the Main Board of the Hong Kong Stock Exchange through the Shanghai Stock Exchange or Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect investors) are investors who hold shares through HKSCC Nominees Limited, and in accordance with the above requirements, the Company will pay to HKSCC Nominees Limited the amount of the 2024 Final Dividend after deducting the amount of Enterprise Income Tax payable on such dividend.

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

Shareholders who are not individual Shareholders listed on the Company's register of members and who (i) are resident enterprises of the People's Republic of China (the "PRC") (as defined in the Enterprise Income Tax Law), or (ii) are enterprises deemed to be resident enterprises of the PRC in accordance with the Notice, and who, in each case, do not desire to have the Company withhold Enterprise Income Tax from their 2024 Final Dividend, should lodge with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, at or before 4:30 p.m. of 5 June 2025, and present the documents from such Shareholder's governing tax authority within the territory of the PRC confirming that the Company is not required to withhold and pay Enterprise Income Tax in respect of the dividend that such Shareholder is entitled to.

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The 2024 annual results announcement is published on the Company's website at www.chinaunicom.com.hk and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. The 2024 annual report will be available on the websites of the Hong Kong Stock Exchange and the Company, and (where applicable) will be dispatched to the Shareholders in due course.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this announcement 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.

By order of the Board
China Unicom (Hong Kong) Limited
Chen Zhongyue
Chairman and Chief Executive Officer

Hong Kong, 18 March 2025

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

Executive directors:	Chen Zhongyue, Jian Qin, Wang Junzhi and Li Yuzhuo
Independent non-executive directors:	Cheung Wing Lam Linus, Chung Shui Ming Timpson, Law Fan Chiu Fun Fanny and Fan Chun Wah Andrew