

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 28 October 2022 in relation to, among others, the continuing connected transactions under the 2023-2025 Financial Services Agreement between Finance Company and Unicom Group, pursuant to which, Finance Company has agreed to provide, among others, lending and other credit services to Unicom Group, and the caps of such services, being the daily lending and other credit services balance (including accrued interests), for each of the two years ending 31 December 2024 and 2025 shall not exceed RMB4,650 million, respectively. The lending and other credit services interest rates will follow the relevant provisions of the People's Bank of China, which will be based on Loan Prime Rate and be determined with reference to the interest rate for the same period and same type of lending and other credit services offered to the same type of corporations by the major cooperative commercial banks of Unicom Group and/or offered by Finance Company to its other clients, and will be on normal commercial terms.

With the continuous expansion of operating scale and the continuous improvement of the centralised capital management capabilities of CUCL, a wholly-owned subsidiary of the Company, and subject to the satisfaction of the daily operation of CUCL and its subsidiary, Finance Company, the actual amount of the lending and other credit services between Finance Company and Unicom Group in 2023 (RMB4,633 million) was close to the existing cap of the transaction (RMB4,650 million). In order to further satisfy the capital management needs of CUCL and enhance the capital efficiency, the Board announces that on 19 March 2024, it approved Finance Company which is a subsidiary of CUCL and Unicom Group to enter into the Supplemental Agreement to revise the caps, being the daily lending and other credit services balance (including accrued interests) for the lending and other credit services to be provided by Finance Company to Unicom Group under the 2023-2025 Financial Services Agreement for each of the two years ending 31 December 2024 and 2025 to RMB7,500 million (equivalent to HK\$8,266 million), respectively. Save as disclosed above, all other terms and conditions under the 2023-2025 Financial Services Agreement remain unchanged and valid.

The Board (including the independent non-executive Directors but excluding the executive Directors who have voluntarily abstained from voting) is of the view that the Supplemental Agreement and any transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and the terms of the Supplemental Agreement are on normal commercial terms or better. The terms of the Supplemental Agreement and the applicable revised annual caps are all fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Unicom Group is the ultimate parent company of the Company and, as at the date of this announcement, indirectly controls approximately 79.9% of the issued share capital of the Company through its shareholdings in Unicom BVI and Unicom Group BVI, which directly hold 53.5% and 26.4% of the issued share capital of the Company, respectively. As Finance Company is a member of the Group and Unicom Group is a connected person of the Company, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the revised caps of the lending and other credit services (calculated using the daily lending and other credit services balance (including accrued interest)) exceeds 0.1% but is less than 5%, the provision of the lending and other credit services is subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing Rules but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. BACKGROUND

Reference is made to the announcement of the Company dated 28 October 2022 in relation to, among others, the continuing connected transactions under the 2023-2025 Financial Services Agreement between Finance Company and Unicom Group.

2. SUPPLEMENTAL AGREEMENT AND REVISION OF THE CAPS

Pursuant to the 2023-2025 Financial Services Agreement, Finance Company has agreed to provide, among others, lending and other credit services to Unicom Group, and the caps of such services, being the daily lending and other credit services balance (including accrued interests), for each of the two years ending 31 December 2024 and 2025 shall not exceed RMB4,650 million, respectively.

The lending and other credit services interest rates will follow the relevant provisions of the People's Bank of China, which will be based on Loan Prime Rate and be determined with reference to the interest rate for the same period and same type of lending and other credit services offered to the same type of corporations by the major cooperative commercial banks of Unicom Group and/or offered by Finance Company to its other clients, and will be on normal commercial terms.

On 19 March 2024, the Board approved Finance Company which is a subsidiary of CUCL and Unicom Group to enter into the Supplemental Agreement (the "**Supplemental Agreement**") to revise the caps, being the daily lending and other credit services balance (including accrued interests) for the lending and other credit services to be provided by Finance Company to Unicom Group under the 2023-2025 Financial Services Agreement for each of the two years ending 31 December 2024 and 2025 to RMB7,500 million (equivalent to HK\$8,266 million), respectively. Save as disclosed above, all other terms and conditions under the 2023-2025 Financial Services Agreement remain unchanged and valid.

3. REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

For the year ended 31 December 2023 and the two months ended 29 February 2024, the maximum daily lending and other credit services balance (including accrued interests) for the lending and other credit services offered to Unicom Group by Finance Company under the 2023-2025 Financial Services Agreement were RMB4,633 million (equivalent to HK\$5,106 million) and RMB4,619 million (equivalent to HK\$5,091 million), respectively. As at the date of this announcement, the daily lending and other credit services balance (including accrued interests) for the lending and other credit services offered to Unicom Group by Finance Company under the 2023-2025 Financial Services Agreement has not exceeded the pre-determined caps.

With the continuous expansion of operating scale and the continuous improvement of the centralised capital management capabilities of CUCL, a wholly-owned subsidiary of the Company, and subject to the satisfaction of the daily operation of CUCL and its subsidiary, Finance Company, the actual amount of the lending and other credit services between Finance Company and Unicom Group in 2023 (RMB4,633 million) was close to the existing cap of the transaction (RMB4,650 million). In order to further satisfy the capital management needs of CUCL and enhance the capital efficiency, the Board announces that on 19 March 2024, it approved Finance Company which is a subsidiary of CUCL and Unicom Group to enter into the Supplemental Agreement to revise the caps, being the daily lending and other credit services balance (including accrued interests), for the lending and other credit services offered to Unicom Group by Finance Company for each of the two years ending 31 December 2024 and 2025 to RMB7,500 million (equivalent to HK\$8,266 million), respectively.

When determining the above revised caps, the Board has considered (i) the daily lending and other credit services balance (including accrued interests) offered to Unicom Group by Finance Company for the year ended 31 December 2023 and from 1 January 2024 to the date of this announcement; (ii) the Group's expected financial position and cash flow in future; and (iii) the expected demand for the lending and other credit services of Unicom Group for each of the two years ending 31 December 2024 and 2025.

4. CONNECTION BETWEEN THE PARTIES AND HONG KONG LISTING RULES IMPLICATION

Unicom Group is the ultimate parent company of the Company and, as at the date of this announcement, indirectly controls approximately 79.9% of the issued share capital of the Company through its shareholdings in Unicom BVI and Unicom Group BVI, which directly hold 53.5% and 26.4% of the issued share capital of the Company, respectively. As Finance Company is a member of the Group and Unicom Group is a connected person of the Company, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the revised caps of the lending and other credit services (calculated using the daily lending and other credit services balance (including accrued interest)) exceeds 0.1% but is less than 5%, the provision of the lending and other credit services is subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing Rules but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. OPINION OF THE DIRECTORS

The Board has passed resolution to approve the Supplemental Agreement and the revision of annual caps for the lending and other credit services under the 2023-2025 Financial Services Agreement. The executive Directors, being Mr. Chen Zhongyue, Mr. Wang Junzhi and Ms. Li Yuzhuo, who also hold executive positions with Unicom Group, have voluntarily abstained from voting on the relevant resolution of the Board. Save as disclosed in this announcement, other directors do not have material interest in such transactions contemplated under the Supplemental Agreement nor have abstained from voting in respect of the relevant Board resolution.

The Board (including the independent non-executive Directors but excluding the executive Directors who have voluntarily abstained from voting) is of the view that the Supplemental Agreement and any transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and the terms of the Supplemental Agreement are on normal commercial terms or better. The terms of the Supplemental Agreement and the applicable revised annual caps are all fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. GENERAL INFORMATION

The Company was incorporated in Hong Kong on 8 February 2000. CUCL is a limited liability company incorporated on 21 April 2000 under the laws of the PRC and is a wholly-owned subsidiary of the Company. Through CUCL and its other subsidiaries, the Company steadily promotes the two main businesses of Connectivity and Communications and Computing and Digital Smart Applications, while holistically building comprehensive digital information infrastructure with industry-leading coverage, breadth and depth, so as to build an unobstructed information channel and a new digital base for economic and social development. Using technologically leading and highly integrated digital services which are “comprehensive in coverage, fully online and cloudified, green and one-stop”, it helps thousands of industries “migrate to the cloud, and use data for intelligent empowerment” as well as promoting the development of the digital economy and information consumption upgrade. Finance Company is a limited liability company incorporated on 17 June 2016 under the laws of the PRC and is a subsidiary of the Company and CUCL. Finance Company provides financial services in the PRC.

Unicom Group is a state-owned enterprise incorporated under the laws of the PRC and is the ultimate parent company of the Company. As a provider of basic communication services, Unicom Group plays a fundamental, pillar, strategic and leading role in the national economy with technology-intensive offerings, integration across its entire network, economies of scale, and commitment to serving the economy, the society and people's livelihood.

7. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the meanings set out below:

“2023-2025 Financial Services Agreement”	the Financial Services Agreement dated 28 October 2022 entered into by Finance Company and Unicom Group
“Board”	the board of directors of the Company
“Company”	中國聯合網絡通信(香港)股份有限公司 (China Unicom (Hong Kong) Limited), a company incorporated under the laws of Hong Kong with limited liability and whose Shares are listed on the Hong Kong Stock Exchange

“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“CUCL”	中國聯合網絡通信有限公司 (China United Network Communications Corporation Limited), a foreign-invested enterprise established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Finance Company”	聯通集團財務有限公司(Unicom Group Finance Company Limited) is a limited liability company incorporated on 17 June 2016 under the laws of the PRC and is a subsidiary of the Company and CUCL
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratio”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Unicom BVI”	China Unicom (BVI) Limited, a company incorporated under the laws of the British Virgin Islands in which Unicom Group holds a 17.9% equity interest and 中國聯合網絡通信股份有限公司 (China United Network Communications Limited) holds a 82.1% equity interest as at the date of the announcement, and an immediate controlling shareholder of the Company
“Unicom Group”	中國聯合網絡通信集團有限公司 (China United Network Communications Group Company Limited), a state-owned enterprise established under the laws of the PRC and the ultimate parent company of the Company

“Unicom Group BVI”

China Unicom Group Corporation (BVI) Limited, a company incorporated in the British Virgin Islands in which Unicom Group holds a 100% equity interest, and an immediate controlling shareholder of the Company

This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB0.9073 = HK\$1. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

By Order of the Board

CHINA UNICOM (HONG KONG) LIMITED

CHEN ZHONGYUE

Chairman & Chief Executive Officer

Hong Kong, 19 March 2024

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.

As at the date of this announcement, the board of directors of the Company comprises:

Executive Directors: Chen Zhongyue, Wang Junzhi and Li Yuzhuo

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