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**中国通信服务**  
**CHINA COMSERVICE**

**中國通信服務股份有限公司**

**CHINA COMMUNICATIONS SERVICES CORPORATION LIMITED**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 552)**

**ANNOUNCEMENT OF ANNUAL RESULTS FOR  
THE YEAR ENDED 31 DECEMBER 2024**

**HIGHLIGHTS**

- The Group proactively responded to the complex situation by seizing opportunities in computing power infrastructure construction, social digitalization, as well as intelligentization and green transformation, thereby solidly promoting high-quality development with stable yet improving operating results and efficiency indicators trending favorably:
  - Total revenues were RMB150,000 million, up by 0.9%.
  - Net profit was RMB3,607 million, up by 0.6%.
  - Gross profit margin was 11.7%, up by 0.1 percentage point, marking a steady improvement for three consecutive years.
  - Free cash flow reached RMB5,214 million, up by 20.4%.
- The Group realized steady revenue growth in the domestic telecommunications operator market, maintained stable operating efficiency in the domestic non-operator market, and achieved rapid revenue growth in overseas market.
- Persisting in upholding technological innovation as its guiding principle, the Group continuously strengthened its software development capabilities and digital service standards, with revenue from applications, content and other services growing rapidly and serving as the leading contributor to revenue growth for three consecutive years.
- The Group persisted in deepening its development in strategic emerging industries, including digital infrastructure, smart city, green and low-carbon, and emergency management and security, with the new contract value growing by more than 30%.
- The Board has proposed a final dividend of RMB0.2187 per share, representing a dividend payout ratio of 42%.

## CHAIRMAN’S STATEMENT

Dear Shareholders,

In 2024, the global and domestic landscapes became increasingly complex and multifaceted, and the new wave of technological revolution and industrial transformation continued to deepen, with frontier technologies such as new-generation information technology and artificial intelligence constantly giving rise to new industries, new models and new momentum. Faced with operational challenges brought by the slowing revenue growth in the domestic telecommunications industry and increasingly fierce competition in the industrial digitalization market, the Group, positioning itself as a “New Generation Integrated Smart Service Provider” and fully leveraging its roles as the “Builder of Digital Infrastructure”, “Provider of Smart Products and Platforms”, “Provider of Industrial Digitalization Services”, and “Guard of Smart Operation” (collectively referred to as the “Four Roles”), persisted in upholding technological innovation as its guiding principle, accelerated the expansion of strategic emerging businesses, developed new quality productive forces tailored to local conditions, thereby achieving “Effective Improvement in Quality” as well as “Reasonable Growth in Quantity”, and firmly driving sustainable and high-quality development.

### **I. Steady Yet Improving Operating Results with Resilience in Quality Enhancement and Efficiency Improvement**

Adhering to its overall roadmap of “value-driven, seeking steady yet progressive growth and high-quality development” and practicing the principle of “revenue with reasonable profits and profits with matching cash flow”, the Group achieved steady yet improving operating results, with efficiency indicators trending positively. During the year, the Group achieved total revenues of RMB150,000 million, representing a year-on-year increase of 0.9%. Among this, service revenue<sup>1</sup> amounted to RMB146,212 million, representing a year-on-year increase of 1.9%. Gross profit reached RMB17,596 million, representing a year-on-year increase of 2.0%. The gross profit margin was 11.7%, up by 0.1 percentage point year-on-year, marking a steady improvement for three consecutive years. Net profit<sup>2</sup> was RMB3,607 million, representing a year-on-year increase of 0.6%. The net profit margin remained largely stable at 2.4%. Free cash flow amounted to RMB5,214 million, showing favorable growth. Return on equity (ROE) was 8.2%. Basic earnings per share were RMB0.521, representing a year-on-year increase of 0.6%. In light of the Group’s stable operating performance and sound cash flow for the year, the Board has proposed a final dividend of RMB0.2187 per share for the financial year ended 31 December 2024, representing a dividend payout ratio of 42%.

<sup>1</sup> Service revenue = total revenues – revenue from products distribution – revenue from IT equipment supplies in system integration

<sup>2</sup> Net profit refers to profit attributable to the equity shareholders of the Company.

1. ***Focusing on Value Creation, the Three Major Business Segments Remained Stable with Enhanced Quality***

During the year, revenue from the Group’s telecommunications infrastructure (“TIS”) services amounted to RMB75,172 million, representing a year-on-year decrease of 1.3% and accounting for 50.1% of total revenues. The decline was mainly due to certain customers’ cautious investment and the Group’s proactive control of low-value projects. While supporting domestic customers in the construction for computing power infrastructure, the Group leveraged its industry-leading TIS capabilities to actively expand into overseas market, achieving a year-on-year increase of 17.5% in relevant revenue from overseas customers. Revenue from business process outsourcing (“BPO”) services amounted to RMB43,459 million, representing a year-on-year decrease of 0.2% and accounting for 29.0% of total revenues. Among this, revenue from low-margin products distribution business continued to be effectively controlled, decreasing by 18.9% year-on-year, further optimizing the revenue structure of this segment. Persisting in upholding technological innovation as its guiding principle, the Group continuously strengthened its software development capabilities and digital service standards. Revenue from applications, content, and other (“ACO”) services maintained a favorable growth momentum, reaching RMB31,369 million, representing a year-on-year increase of 8.4%. Its proportion of total revenues exceeded 20%, reaching 20.9%, and revenue from ACO services remained as the primary driver of revenue growth for three consecutive years.

2. ***Adapting to Changing Demands, the Three Major Customer Markets Were Deeply and Meticulously Developed***

(A) **Leveraging differentiated advantages, the domestic telecommunications operator market remained stable while achieving growth.** Adhering to its “CAPEX + OPEX + Smart Applications”<sup>3</sup> development strategy, the Group effectively addressed the challenges posed by the decline in CAPEX investment from domestic telecommunications operators. Guided by customers’ needs, the Group improved the delivery quality of traditional businesses through digital means and closely followed operators’ new transformation demands such as construction of computing power infrastructure and industrial digitalization. By fully leveraging its differentiated advantages in digital infrastructure, green and low-carbon, consultation and design, software applications, operation and maintenance, as well as deepening ecosystem cooperation, the Group achieved win-win collaboration. Despite the overall decline in CAPEX investment in this market, revenue from this market reached RMB83,603 million during the year, representing a year-on-year increase of 2.3%.

<sup>3</sup> “CAPEX + OPEX + Smart Applications”: CAPEX refers to the capital expenditure of domestic telecommunications operators, while OPEX refers to the operating expenditure of domestic telecommunications operators.

**(B) Adhering to value-oriented approach, the quality in the domestic non-operator market was enhanced.** The Group focused on high-value industries and businesses with significant strategic importance, high economic benefits, and close ties to people’s livelihoods. It accelerated the development of industrial digitalization businesses and actively explored areas such as low-altitude economy, artificial intelligence, and intelligent computing and supercomputing. Leveraging its advantages of unique “Consultant + Staff + Housekeeper”<sup>4</sup> service model and “Platform + Software + Service”<sup>5</sup> capabilities, the Group provided customers with integrated, full-process services that incorporate cloud, artificial intelligence, security, and platform. The Group strictly controlled project risks and expanded its business while ensuring project quality and mitigating operational risks, maintaining stable gross profit margin in this customer market. Revenue from the domestic non-telecom operator (“domestic non-operator”) market amounted to RMB62,169 million during the year, representing a year-on-year decrease of 2.0%.

**(C) Deploying in key regions, overseas market achieved rapid growth.** Centering on key regions along the “Belt and Road”, the Group actively responded to the demand for digital infrastructure overseas by replicating its domestic capabilities in fundamental network and computing power infrastructure construction. Meanwhile, the Group steadily expanded into new businesses such as industrial digitalization and new energy, continuously optimized its overseas operating models, strengthened comprehensive risk management, and enhanced collaborative cooperation with “Go Abroad” Chinese enterprises. The Group successfully secured several high-quality and large-scale projects, achieving safe, compliant, and efficient development. Revenue from the overseas market grew rapidly during the year, reaching RMB4,228 million, representing a year-on-year increase of 22.3%.

<sup>4</sup> “Consultant + Staff + Housekeeper” service model is a unique business model adopted by the Group in recent years. “Consultant” means that the Group acts as the “Consultant” to help its customers through leveraging its talents and product advantages, so as to turn customers’ needs into feasible solutions or projects. “Staff” means that the Group, as appointed by its customers, assists them in the capacity of “Staff” in coordinating other stakeholders of the project, so as to promote the smooth implementation of the project and ensure that its customers’ original expectation could be achieved. “Housekeeper” means that the Group provides full life cycle management and accompanying service of the relevant businesses and creates values for customers.

<sup>5</sup> “Platform + Software + Service” capabilities: utilize core foundation platforms, including cybersecurity and Internet of Things, and focus on various smart applications for customer scenarios and the integrated service capabilities covering consultation and planning, project construction, operation and maintenance, to provide customers with customized integrated solutions.

## **II. Focusing on Key Industry Customers, Continuously Deepening Expansion of Strategic Emerging Businesses**

In 2024, the country vigorously developed new quality productive forces and promoted the deep integration of the real economy and the digital economy, with accelerated progress in digitalization, intelligentization, green development and security enhancement. The Group focused on key industry customers in government, emergency management, energy, transportation, education, and healthcare, and continued to deepen its development in strategic emerging businesses in digital infrastructure, green and low-carbon, smart city as well as emergency management and security. The total value of new contracts signed from strategic emerging businesses during the year increased by over 30% year-on-year, accounting for 37% of the total value of new contracts signed, representing an increase of approximately 7 percentage points from the previous year, creating a new growth engine for high-quality development.

### **1. *The Field of Digital Infrastructure***

The Group actively implemented the national strategies of building China into a cyberpower and Digital China. Keeping pace with the computing power demand driven by the iteration of artificial intelligence large models, the Group accelerated the intelligent and green upgrading of digital information infrastructure. Leveraging innovative AI energy efficiency optimization technologies and the leading capabilities in green and low-carbon, consultation and design as well as solution, the Group accumulated rich project experience in data centers, cloud services, and 5G+ businesses. It undertook intelligent computing and supercomputing center projects in industries such as telecommunications, finance, Internet and manufacturing, contributing to the construction of a national integrated computing power network and empowering the high-quality development of the digital economy, thereby solidifying the digital foundation for Chinese modernization. The Group undertook approximately 20 large-scale projects with contract values of more than RMB100 million each, and the value of new contracts signed in this field grew by over 30% during the year.

### **2. *The Field of Green and Low-Carbon***

With the advancement of the national “Dual Carbon” goals, the Group engaged in the coordinated development of computing power and green energy, supporting the comprehensive green transformation of economic and social development. Focusing on energy and electricity, industrial manufacturing, transportation, real estate and construction, as well as information and communications, the Group provided customers with upgraded services such as electricity infrastructure and ancillary facilities, new energy construction, energy usage services and carbon management. The Group tracked and developed cutting-edge, energy-saving and carbon-reduction technologies, leveraging its integrated capabilities in “Consultation-Driven + Digital Empowerment + Product Innovation + Engineering Construction + Operation and Maintenance” to create comprehensive and customized green and low-carbon solutions. The Group secured several EPC general contracting projects with contract values exceeding RMB100 million each. The value of new contracts signed in this field grew by over 25% during the year.

### **3. *The Field of Smart City***

The Group focused on urban renewal and the digital transformation needs of all industries and continuously deepened its efforts in developing key industries and regions. Leveraging its advantages in consultation and design as the lead, software development support, and general contracting delivery, the Group explored innovative applications of new technologies such as artificial intelligence, the Internet of Things, and big data in related industries. Relying on its professional local teams at the provincial, municipal, and county levels, the Group continuously strengthened its products and solutions capabilities, securing several projects with contract values exceeding RMB100 million each in areas such as social governance, digital government, smart transportation, smart education, smart healthcare, and enterprise digital transformation, comprehensively empowering the digital transformation of the economy and society. The value of new contracts signed in this field grew by over 40% during the year.

### **4. *The Field of Emergency Management and Security***

The Group strictly adhered to the bottom line of safe development and continuously enhanced public safety governance and network information security capabilities. In emergency management, the Group used digital means to assist in disaster prevention, mitigation, and relief, as well as the handling of urgent, difficult, dangerous and major public emergencies. It promoted the implementation of proprietary products such as emergency command information systems, production safety risk monitoring and early warning systems, as well as natural disaster monitoring and early warning platforms, participating in the building of emergency management capabilities in multiple provinces and cities across the country. The Group participated in the national key research and development program “Prevention and Control of Major Natural Disasters and Public Safety” under the Ministry of Emergency Management, specifically the key project of “Key Technologies for Intelligent Generated Decision-Making Knowledge Base in Disaster and Accident Emergency Management Situations”, achieving dynamic and efficient integration of spatiotemporal information at disaster sites, intelligent analysis, and emergency management and rescue decision-making support. In terms of network and information security, the Group actively responded to the cybersecurity operations and data security needs of customers in industries such as information and communications, finance, energy, and transportation, developing over 40 proprietary and controllable network and information security products and one-stop integrated solutions. The “Intelligent Video Surveillance Application System”, which the Group participated in research and development, was successfully selected into the “2024 Cybersecurity Technology Application Exemplary Cases”<sup>6</sup>. The value of new contracts signed in the field of emergency management and security grew by over 30% during the year.

<sup>6</sup> The “2024 Cybersecurity Technology Application Exemplary Cases” was jointly released by 13 units, including the General Office of the Ministry of Industry and Information Technology, the Secretariat of the Cyberspace Administration of China, the General Office of the Ministry of Human Resources and Social Security. It aims to strengthen the guidance for advanced cybersecurity technology applications and promote the high-quality development of the cybersecurity industry.

### III. Accelerating the Formation of New Quality Productive Forces, Driving High-Quality Development

#### 1. *Adhering to Technology Innovation-driven Development, Building a High-Quality Technology Enterprise*

The Group continued to leverage technological innovation as a driving force, strengthening the deep integration of technological innovation and industrial innovation, building a key engine for developing new quality productive forces, and creating new momentum and advantages for high-quality development. Focusing on strategic emerging industries, the Group developed nearly 100 key industry products, such as smart photovoltaic, smart building, and smart sport, to meet customers' intelligent, secure, and scenario-based needs. It focused on key technologies in future industries, advancing in frontier areas such as 5G-A, blockchain, AI+, satellite communications, and low-altitude economy, and developed products such as the blockchain data service platform, the direct satellite connection product "Xingjitong", the network connected drone intelligent application platform, and AI product suites. The Group accelerated the commercialization and large-scale replication of technological innovation results, cultivating over 40 products with contract values exceeding RMB10 million each and implementing 12 comprehensive solutions, each deployed in more than 50% of the country's provinces, effectively enhancing enterprises' operational efficiency. The Group accumulated more than 3,900 authorized patents and 10,500 software copyrights. For the fourth consecutive year, the Group ranked fourth in the "100 Most Competitive Software & IT Service Enterprises in China", and several technological innovation projects received provincial and ministerial-level as well as national-level association science and technology awards. The Group was also included in the "China Cybersecurity Industry Panorama" by AQNIU<sup>7</sup> and the "2023–2024 Recommended Directory of Outstanding Innovative Software Products"<sup>8</sup>, demonstrating its recognized innovation capabilities in the industry.

<sup>7</sup> "AQNIU" is a highly influential third-party professional media and flagship think tank in China's cybersecurity industry.

<sup>8</sup> The "2023–2024 Recommended Directory of Outstanding Innovative Software Products", released by the China Federation of Electronics and Information Industry (CFEII), aims to drive high-quality development in the software industry, boost proprietary innovation, accelerate new technology adoption, and promote outstanding software products in key sectors.

## **2. *Building Core Capabilities Advantages, Providing High-Quality Smart Services***

Rooted in new-generation information service technologies, the Group continuously deepened the essence of its “Four Roles”, strengthening the supply of high-quality products and services, and effectively enhancing its core competitiveness. Adhering to a customer-centric approach, the Group utilized new technologies such as big data, cloud computing, artificial intelligence and quantum communications, combined with its advantages in consultation and design, software, delivery, and operation and maintenance, striving to become a comprehensive service provider for new infrastructure including new-generation information and communications, general data centers, intelligent computing and supercomputing centers, offering general contracting and integrated solutions. The Group strengthened its cloud-based digital platform and software development capabilities, empowering the digital transformation of various industries, and providing operators with smart support services, including operation and maintenance, supply chain management, property management and training. By continuously focusing on strategic emerging industries, the Group capitalized on its nationwide “Industry Center + Regional Platform” matrix to enhance its core product capabilities, business value and service standards, developing new quality productive forces tailored to local conditions.

## **3. *Deepening Reforms in Key Areas, Enhancing Momentum for High-Quality Development***

The Group further comprehensively deepened reforms, continuously improving production relations that are more compatible with new quality productive forces, and driving high-quality development in all aspects. The Group continued to advance the professional, synergistic, and intelligent operation of its supply chain management, property management, and education and training businesses, cultivating core professional teams, strengthening business capability building, and building a technology-driven, nationwide industry-leading enterprise. The Group accelerated its digital transformation, focusing on internal production and operation needs, promoting the implementation of “AI+” internal applications, and improving corporate management efficiency. The Group fully implemented a talent-centric enterprise strategy, firmly establishing the concept that “talent is the primary resource”, reforming and innovating talent management mechanisms, continuously optimizing talent recruitment, training, utilization, evaluation, incentives, services, and digital management, and building four types of expert teams in technology, marketing, skills, and comprehensive functions, injecting strong momentum for the Group’s high-quality development.



#### **IV. Fulfilling Environmental and Social Responsibilities, Maintaining High Standards of Corporate Governance**

The Group thoroughly implemented the new development philosophy, practicing its corporate mission of “Building Smart Society, Boosting Digital Economy, Serving a Good Life”. The Group adhered to green and low-carbon development, actively fulfilled its social responsibilities, and achieved compliant and efficient operations, with its strong governance capabilities widely recognized. For the third consecutive year, the Group has been included as a constituent of the “Hang Seng Corporate Sustainability Benchmark Index”, reflecting its outstanding performance in corporate sustainability.

In 2024, the Group actively responded to the national “Dual Carbon” strategy, formulating green and low-carbon plans and related action plans, conducting research on carbon emission peaks and pathways, and promoting the development of incentive and constraint mechanisms for energy-saving and emission-reduction to achieve green operations. The Group continued to invest in green technology research and development, leveraging its mature energy-saving and emission-reduction planning, design, and construction experience to assist governments, energy, transportation, construction, and other sectors in achieving green and sustainable development. The Group received multiple awards in the “New Green Cup” Information and Communications Industry Empowerment Carbon Peak and Carbon Neutrality Innovation Competition<sup>9</sup>.

The Group actively gave back to society, providing disaster prevention and relief, and communications support. It successfully completed the communications support mission for the launch of the Shenzhou-19 manned spacecraft and provided communications services for major national events such as the “Boao Forum for Asia Annual Conference 2024”, the “7th China International Import Expo”, and the “2024 World Internet Conference Wuzhen Summit”. The Group participated in emergency rescue and communications support during major disasters such as the extreme weather of cold wave and low temperature in certain regions in early spring, severe rainstorms and floods in southern regions, typhoons “Yagi” and “Bebinca”, the 7.1-magnitude earthquake in Wushi County, Xinjiang, and the 6.8-magnitude earthquake in Dingri County, Tibet. The Group rushed to disaster areas immediately, fully engaging in emergency communications support, with a total of approximately 150,000 person-times contributed throughout the year, safeguarding the “lifeline” of communications.

<sup>9</sup> The “New Green Cup” Information and Communications Industry Empowerment Carbon Peak and Carbon Neutrality Innovation Competition, jointly organized by the Internet Society of China and China Association of Communication Enterprises and co-hosted by institutions including the China Academy of Information and Communications Technology, aims to select innovative green and low-carbon technology achievements and application cases in the industry, and enhance the technical capabilities and product supply for enabling energy conservation and carbon reduction across society.

The Group leveraged its comprehensive smart service capabilities to participate in rural revitalization and livelihood improvement projects. It undertook digital village, smart agriculture, and agricultural-tourism integration projects, driving the modernization of agriculture and rural areas through informatization, promoting high-quality and efficient agriculture, and livable and workable rural areas. The Group participated in urban renewal actions in multiple regions, breaking through the “last mile” of multi-network integration. The Group’s underground cable-laying project in the old residential neighborhood of Taping of Guanyinqiao, Chongqing, received unanimous recognition from local residents and was featured as a benchmark project in a CCTV special program, establishing the “Guanyinqiao Model” with sound efficiency.

The Group persisted in stable and compliant operations, continuously improving corporate governance and internal control systems. Its high standards of corporate governance were recognized by the capital market. In the “2024 Forbes Global 2000”, the Group ranked 1,429th. In the “2024 Asia Pacific (Ex-Japan) Executive Team” rankings by *Institutional Investor*, the Group earned a number of accolades including “Most Honored Company”, “Best CEO”, “Best CFO”, and “Best ESG”. In the “14th Asian Excellence Award” held by the corporate governance magazine in Asia, *Corporate Governance Asia*, the Group received awards such as “Asia’s Best CEO”, “Asia’s Best CFO”, and “Best Investor Relations Company”, and for the first time, the “Sustainable Asia Award”. In the “The Asset ESG Corporate Awards 2024” held by the financial magazine, *The Asset*, the Group received the “Gold Award”. In the 14th China Securities “Golden Bauhinia Awards” organized by *Ta Kung Wen Wei*, the Group received the “Excellence in High-Quality Development of Listed Company” award.

## V. Outlook

At present, cutting-edge digital technologies such as artificial intelligence, big data, and cloud computing are driving various industries into a new stage of intelligent transformation. The digital economy has become a key area and an important engine for accelerating the development of new quality productive forces. Facing both transformation and opportunities, the Group remains committed to its positioning as a “New Generation Integrated Smart Service Provider”, with technological innovation at its core and deepening reforms as the driving force. The Group will continuously enhance its core functions and improve its core competitiveness. The Group will closely follow the upgrading needs of traditional businesses, continuously optimize the quality of its products and services, and promote the transformation of traditional businesses towards intelligence, green, and security. The Group will also enhance the value of strategic emerging businesses, accelerate the cultivation of digital infrastructure capabilities, green and low-carbon capabilities, smart city service capabilities, as well as emergency management and security capabilities that are aligned with the new generation of information technologies. At the same time, the Group will balance high-quality development with high-level security, prevent and mitigate operational risks, strengthen the bottom line of safe development, and ensure the steady and long-term growth of the Group, contributing to the advancement of Chinese modernization.

Finally, on behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders, customers, and all sectors of society for their long-term care and support, as well as to all our employees for their hard work and dedication. I would also like to extend my heartfelt thanks to Mr. Yan Dong, the Executive Director and President, and Mr. Gao Tongqing, the Non-executive Director, who have resigned, for their outstanding contributions to the development of the Group during their tenure. At the same time, I warmly welcome Mr. Cui Zhanwei to the Board of Directors.

**Luan Xiaowei**

*Executive Director and Chairman*

Beijing, PRC

27 March 2025

## GROUP RESULTS

China Communications Services Corporation Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024, extracted from the audited consolidated financial statements of the Group as set out in its 2024 annual report.

### Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenues	4	<b>150,000,103</b>	148,614,676
Cost of revenues	5	<b><u>(132,403,882)</u></b>	<u>(131,357,426)</u>
<b>Gross profit</b>		<b>17,596,221</b>	17,257,250
Other income	6	<b>1,712,204</b>	1,932,223
Selling, general and administrative expenses		<b>(15,054,014)</b>	(14,913,046)
Other expenses		<b>(187,212)</b>	(169,549)
Finance costs	7	<b>(105,515)</b>	(113,734)
Share of profits of associates and joint ventures		<b><u>149,149</u></b>	<u>116,338</u>
<b>Profit before tax</b>	8	<b>4,110,833</b>	4,109,482
Income tax	9	<b><u>(357,436)</u></b>	<u>(377,805)</u>
<b>Profit for the year</b>		<b><u><u>3,753,397</u></u></b>	<u><u>3,731,677</u></u>
<b>Attributable to:</b>			
Equity shareholders of the company		<b>3,606,861</b>	3,584,391
Non-controlling interests		<b><u>146,536</u></b>	<u>147,286</u>
		<b><u><u>3,753,397</u></u></b>	<u><u>3,731,677</u></u>
<b>Basic/diluted earnings per share (RMB)</b>	10	<b><u><u>0.521</u></u></b>	<u><u>0.518</u></u>

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
<b>Profit for the year</b>		<u>3,753,397</u>	<u>3,731,677</u>
<b>Other comprehensive income for the year (after tax)</b>	11		
<b>Item that will not be reclassified to profit or loss (after tax):</b>			
Equity instruments at fair value through other comprehensive income:			
Net movements in the fair value reserve		775,411	103,919
Remeasurements of defined benefit plans		(150)	(90)
<b>Item that may be subsequently reclassified to profit or loss (after tax):</b>			
Exchange differences on translation of financial statements of subsidiaries outside of Mainland China		<u>(18,023)</u>	<u>(4,202)</u>
		<u>757,238</u>	<u>99,627</u>
<b>Total comprehensive income for the year</b>		<u><u>4,510,635</u></u>	<u><u>3,831,304</u></u>
<b>Attributable to:</b>			
Equity shareholders of the company		4,364,828	3,683,969
Non-controlling interests		<u>145,807</u>	<u>147,335</u>
		<u><u>4,510,635</u></u>	<u><u>3,831,304</u></u>

## Consolidated Statement of Financial Position

At 31 December 2024

	<i>Notes</i>	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment, net		5,910,252	6,082,260
Right-of-use assets		2,020,473	2,245,135
Investment properties		1,730,368	1,700,230
Construction in progress		1,074,572	883,465
Goodwill		103,005	103,005
Intangible assets		794,529	745,830
Interests in associates and joint ventures		1,377,552	1,343,796
Financial assets at fair value through profit or loss		385,070	342,301
Equity instruments at fair value through other comprehensive income		4,500,818	3,473,580
Deferred tax assets		1,037,039	1,019,736
Deposits at financial institutions with original maturity more than one year		12,170,901	5,888,447
Other non-current assets		<u>840,012</u>	<u>1,008,969</u>
<b>Total non-current assets</b>		<b><u>31,944,591</u></b>	<b><u>24,836,754</u></b>
<b>Current assets</b>			
Inventories		1,183,231	1,196,945
Accounts and bills receivables, net	13	25,296,205	23,921,258
Contract assets, net	14	37,767,809	28,584,146
Current portion of deposits at financial institutions with original maturity more than one year		3,603,728	3,498,709
Prepayments and other current assets		14,486,725	13,668,864
Financial assets at fair value through profit or loss		—	10,429
Short-term bank deposits and restricted cash		2,697,251	3,157,780
Cash and cash equivalents		<u>19,638,036</u>	<u>22,914,865</u>
<b>Total current assets</b>		<b><u>104,672,985</u></b>	<b><u>96,952,996</u></b>
<b>Total assets</b>		<b><u>136,617,576</u></b>	<b><u>121,789,750</u></b>
<b>Current liabilities</b>			
Interest-bearing borrowings		706,249	807,499
Accounts and bills payables	15	65,894,889	53,426,398
Current portion of lease liabilities		454,967	487,758
Contract liabilities	16	9,190,050	9,527,291
Accrued expenses and other payables		11,420,957	11,642,004
Income tax payable		<u>287,567</u>	<u>354,095</u>
<b>Total current liabilities</b>		<b><u>87,954,679</u></b>	<b><u>76,245,045</u></b>
<b>Net current assets</b>		<b><u>16,718,306</u></b>	<b><u>20,707,951</u></b>
<b>Total assets less current liabilities</b>		<b><u>48,662,897</u></b>	<b><u>45,544,705</u></b>

## Consolidated Statement of Financial Position (Continued)

At 31 December 2024

	31 December 2024 RMB'000	31 December 2023 RMB'000
<b>Non-current liabilities</b>		
Interest-bearing borrowings	—	53,557
Lease liabilities	868,286	1,028,872
Other non-current liabilities	242,025	118,207
Deferred tax liabilities	<u>939,434</u>	<u>676,368</u>
<b>Total non-current liabilities</b>	<u>2,049,745</u>	<u>1,877,004</u>
<b>Total liabilities</b>	<u>90,004,424</u>	<u>78,122,049</u>
<b>Equity</b>		
Share capital	6,926,018	6,926,018
Reserves	<u>38,509,853</u>	<u>35,650,741</u>
<b>Equity attributable to equity shareholders of the company</b>	45,435,871	42,576,759
<b>Non-controlling interests</b>	<u>1,177,281</u>	<u>1,090,942</u>
<b>Total equity</b>	<u>46,613,152</u>	<u>43,667,701</u>
<b>Total liabilities and equity</b>	<u><u>136,617,576</u></u>	<u><u>121,789,750</u></u>

Notes:

## 1. STATEMENT OF COMPLIANCE

The consolidated financial statements of the group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”). The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). A summary of the material accounting policies adopted by the group is set out below.

The IASB has issued certain revised IFRS Accounting Standards that are first effective or available for early adoption for the current year of the group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior years reflected in these consolidated financial statements.

## 2. CHANGES IN ACCOUNTING POLICIES

In the current year, the group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for the current year:

- Amendments to IAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* (“2020 amendments”) and amendments to IAS 1, *Presentation of financial statements — Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to IFRS 16, *Leases — Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

The application of the above amendments to IFRS Accounting Standards in the current year has had no material effect on the group’s consolidated financial statements.

## 3. SEGMENT REPORTING

The group principally has one operating segment, which is the provision of integrated comprehensive smart solutions in the field of informatisation and digitalisation. Therefore, no additional segment information has been presented. Additional information about major customers and geographical areas of the group has been disclosed in note 4.



#### 4. REVENUES

Revenues are derived from the provision of integrated comprehensive smart solutions.

The group's revenues by business nature can be summarised as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from telecommunications infrastructure services	75,172,237	76,136,756
Revenue from business process outsourcing services	43,459,018	43,550,614
Revenue from applications, content and other services	<u>31,368,848</u>	<u>28,927,306</u>
	<u><b>150,000,103</b></u>	<u><b>148,614,676</b></u>

The group's major customers are telecommunications operators mainly including China Telecommunications Corporation and its Subsidiaries (excluding the group) ("CTC Group"), China Mobile Communications Group Co., Ltd. and its Subsidiaries ("CM Group"). Revenues from the provision of integrated telecommunications support services to CTC Group and CM Group for the year ended 31 December 2024 amounted to RMB59,134 million and RMB13,041 million, respectively (2023: RMB54,399 million and RMB15,804 million, respectively) being 39.4% and 8.7% of the group's total revenues, respectively (2023: 36.6% and 10.6%, respectively). The revenues derived from areas outside Mainland China for the year ended 31 December 2024 amounted to RMB4,228 million (2023: RMB3,456 million).

For the year ended 31 December 2024, the group's top three business lines that contributed to the overall revenues were construction included in telecommunications infrastructure services, system integration included in applications, content and other services and management of infrastructure for information technology included in business process outsourcing services, the revenues from which amounted to RMB60,673 million, RMB19,595 million and RMB18,755 million, respectively (2023: the group's top three business lines that contributed to the overall revenues were construction included in telecommunications infrastructure services, management of infrastructure for information technology included in business process outsourcing services and system integration included in applications, content and other services, the revenues from which amounted to RMB61,188 million, RMB18,568 million and RMB17,528 million, respectively).

#### 5. COST OF REVENUES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Subcontracting charges	80,405,717	80,233,245
Materials costs	25,579,237	24,670,341
Direct personnel costs	8,208,384	8,644,005
Direct costs of products distribution	2,815,082	3,517,360
Expense relating to short-term leases and leases of low-value assets	1,244,655	1,255,813
Depreciation and amortisation	1,025,761	1,017,154
Others	<u>13,125,046</u>	<u>12,019,508</u>
	<u><b>132,403,882</b></u>	<u><b>131,357,426</b></u>

## 6. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income	665,373	693,001
Management fee income	394,394	393,803
Input tax credits	31,865	200,156
Government grants	192,701	264,214
Dividend income from equity instruments at fair value through other comprehensive income	192,751	177,746
Write-back of non-payable liabilities	64,612	51,078
Gain on disposal of property, plant and equipment, intangible assets and right-of-use assets	20,909	22,151
Net foreign exchange gain	8,449	—
Others	<u>141,150</u>	<u>130,074</u>
	<u><b>1,712,204</b></u>	<u><b>1,932,223</b></u>

## 7. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank and other borrowings	55,911	59,250
Interest on lease liabilities	<u>49,604</u>	<u>54,484</u>
	<u><b>105,515</b></u>	<u><b>113,734</b></u>

For the year ended 31 December 2024, no borrowing costs were capitalised in relation to construction in progress (2023: Nil).

## 8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following items:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
(a) Staff costs:		
Salaries, wages and other benefits	16,243,716	16,586,383
Contributions to defined contribution retirement schemes	<u>2,321,759</u>	<u>2,184,492</u>
	<u><b>18,565,475</b></u>	<u><b>18,770,875</b></u>
(b) Other items:		
Depreciation		
— Property, plant and equipment	779,272	767,292
— Right-of-use assets	608,218	614,504
— Investment properties	93,447	88,787
Amortisation		
— Intangible assets	194,441	201,598
Auditors' remuneration	25,823	30,008
Write-down of inventories, net	11,839	48,978
Impairment losses recognised and reversed on accounts receivables, other receivables, contract assets and others, net	<u><b>514,792</b></u>	<u><b>416,880</b></u>

The selling expenses, general and administrative expenses, research and development costs and others of the group are RMB2,661 million, RMB5,806 million, RMB5,568 million and RMB1,019 million (2023: RMB2,672 million, RMB5,848 million, RMB5,552 million and RMB841 million), respectively for the year ended 31 December 2024.

## 9. INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax	371,135	448,135
Deferred tax	<u>(13,699)</u>	<u>(70,330)</u>
Total income tax	<u><u>357,436</u></u>	<u><u>377,805</u></u>

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before tax	<u>4,110,833</u>	<u>4,109,482</u>
Expected income tax expense at a statutory tax rate of 25% (2023: 25%)	1,027,708	1,027,371
Differential/preferential tax rates on subsidiaries' income ( <i>note (i)(ii)</i> )	(152,832)	(156,305)
Non-deductible expenses	200,385	182,619
Non-taxable income	(87,078)	(88,876)
Tax losses and other temporary differences not recognised	117,219	174,047
Utilisation of previously unrecognised tax losses	(16,562)	(21,784)
Adjustments in respect of current income tax of previous years	14,108	14,465
Additional deduction of research and development expenses ( <i>note (iii)</i> )	<u>(745,512)</u>	<u>(753,732)</u>
Income tax	<u><u>357,436</u></u>	<u><u>377,805</u></u>

*Notes:*

- (i) The provision for income tax of the group is calculated based on a statutory tax rate of 25% of the assessable profit of the group as determined in accordance with the relevant PRC income tax rules and regulations for the year ended 31 December 2024 (2023: 25%), except for certain domestic subsidiaries of the group, which are taxed at preferential rates (refer to note (ii) below), where applicable; and for certain overseas subsidiaries of the group, which are taxed at their respective statutory rates.
- (ii) According to the PRC enterprise income tax law and its relevant regulations, certain subsidiaries that are qualified as High and New Technology Enterprise, enterprises under the Western Region Development Program, and Small and Micro enterprises as defined under the tax law are entitled to a preferential income tax rate of 15%, 15% and 20% (2023: 15%, 15%, 20%).
- (iii) According to the PRC enterprise income tax law and its relevant regulations, certain research and development expenses of group's PRC subsidiaries are qualified for an additional deduction of 100% for tax reporting purposes (2023: 100% for tax reporting purposes).

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the company for the year ended 31 December 2024 of RMB3,606,861 thousand (2023: RMB3,584,391 thousand) and number of shares in issue during the year ended 31 December 2024 of 6,926,018 thousand shares (2023: 6,926,018 thousand shares).

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during both years.

## 11. OTHER COMPREHENSIVE INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Changes in fair value of equity instruments at fair value through other comprehensive income recognised during the year	1,034,873	140,013
Net deferred tax charged to other comprehensive income	(259,462)	(36,094)
Remeasurements of defined benefit plans	(150)	(90)
Exchange differences on translation of financial statements	<u>(18,023)</u>	<u>(4,202)</u>
Other comprehensive income for the year	<u><u>757,238</u></u>	<u><u>99,627</u></u>

## 12. DIVIDENDS

### (a) Dividends attributable to the year

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend proposed after the end of reporting period of RMB0.2187 per share (2023: RMB0.2174 per share)	<u><u>1,514,720</u></u>	<u><u>1,505,716</u></u>

The final dividend proposed after the end of reporting period has not been recognised as a liability at the end of the reporting period.

### (b) Dividends attributable to the previous financial year, approved and paid during the year

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.2174 per share (2023: RMB0.1939 per share)	<u><u>1,505,716</u></u>	<u><u>1,342,955</u></u>

### 13. ACCOUNTS AND BILLS RECEIVABLES, NET

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Bills receivables	<b>1,410,736</b>	465,039
Accounts receivables	<b><u>26,509,784</u></b>	<u>25,769,168</u>
	<b>27,920,520</b>	26,234,207
Less: allowance for credit losses	<b><u>(2,624,315)</u></b>	<u>(2,312,949)</u>
	<b><u><u>25,296,205</u></u></b>	<u><u>23,921,258</u></u>

- (a) The amounts due from CTC Group, associates and joint ventures of the group, associates and joint ventures of CTC Group, and other related parties are unsecured, interest-free and are expected to be recovered within one year.
- (b) The ageing analysis of accounts and bills receivables (net of allowance for credit losses) based on credit terms is as follows:

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Current	<b>2,089,253</b>	1,892,584
Within 1 year	<b>19,334,238</b>	18,452,197
After 1 year but less than 2 years	<b>2,900,914</b>	2,707,336
After 2 years but less than 3 years	<b>718,462</b>	649,456
After 3 years but less than 4 years	<b>161,188</b>	136,651
After 4 years but less than 5 years	<b>43,676</b>	34,560
Over 5 years	<b><u>48,474</u></b>	<u>48,474</u>
	<b><u><u>25,296,205</u></u></b>	<u><u>23,921,258</u></u>

#### (c) Credit losses of accounts and bills receivables

Credit losses in respect of accounts and bills receivables are recorded using an allowance account unless the group is satisfied that recovery of the amount is remote, in which case the credit loss is written off against accounts and bills receivables directly.

#### 14. CONTRACT ASSETS, NET

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Telecommunications infrastructure services	<b>32,552,493</b>	23,874,832
Business process outsourcing services	<b>1,469,655</b>	1,223,662
Applications, content and other services	<b>4,271,528</b>	3,798,145
	<b>38,293,676</b>	28,896,639
Less: allowance for credit losses	<b>(525,867)</b>	(312,493)
	<b><u>37,767,809</u></b>	<b><u>28,584,146</u></b>

The contract assets relate to the rights of the group to considerations receivable for work completed and not billed because the rights are conditional upon the group's future performance in achieving specified milestones on construction, design and other service contracts. The contract assets are transferred to accounts receivables when the rights become unconditional. The group typically transfers the contract assets to accounts receivables within one year when the specific milestones are met.

#### 15. ACCOUNTS AND BILLS PAYABLES

Accounts and bills payables comprise:

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Accounts payables	<b>59,837,140</b>	48,655,930
Bills payables	<b>6,057,749</b>	4,770,468
	<b><u>65,894,889</u></b>	<b><u>53,426,398</u></b>

The ageing analysis of accounts and bills payables based on the invoice date is as follows:

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Within 1 year	<b>63,309,727</b>	50,406,385
After 1 year but less than 2 years	<b>1,319,642</b>	1,594,073
After 2 years but less than 3 years	<b>492,037</b>	688,155
After 3 years	<b>773,483</b>	737,785
	<b><u>65,894,889</u></b>	<b><u>53,426,398</u></b>

The amounts due to CTC Group, associates and joint ventures of the group, associates and joint ventures of CTC Group, and other related parties are unsecured, interest-free and are expected to be settled within one year.

## 16. CONTRACT LIABILITIES

	<b>31 December 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Telecommunications infrastructure services	<b>6,700,059</b>	6,931,722
Other services	<b><u>2,489,991</u></b>	<u>2,595,569</u>
	<b><u><u>9,190,050</u></u></b>	<u><u>9,527,291</u></u>

When the group receives advance payments from customers before the performance obligation is satisfied, the amounts will give rise to contract liabilities, until the performance obligation is satisfied.



## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

### Overview

In 2024, by adhering to its overall roadmap of “value-driven, seeking steady yet progressive growth and high-quality development”, and positioning itself as a “New Generation Integrated Smart Service Provider”, the Group leveraged its strengths as “Builder of Digital Infrastructure”, “Provider of Smart Products and Platforms”, “Provider of Industrial Digitalization Services” and “Guard of Smart Operation”, united hearts and efforts, overcame difficulties, and firmly grasped the opportunities presented by the development of digital economy. By upholding technological innovation as its guiding principle, the Group accelerated the expansion of strategic emerging businesses, developed new quality productive forces tailored to local conditions, and achieved “Effective Improvement in Quality” and “Reasonable Growth in Quantity”, thereby solidly propelling the sustainable and high-quality development of the enterprise and maintaining steady growth in operating performance. Total revenues for the year amounted to RMB150,000 million, representing an increase of 0.9% compared to 2023. Profit attributable to equity shareholders of the Company was RMB3,607 million, representing an increase of 0.6% compared to 2023. Basic earnings per share were RMB0.521. Free cash flow was RMB5,214 million, with cash conversion ratio of 172.5%, continuing to remain at a healthy level.

### Total Revenues

In 2024, the Group’s total revenues amounted to RMB150,000 million, representing an increase of 0.9% compared to 2023. From a business perspective, revenue from telecommunications infrastructure (“TIS”) services was RMB75,172 million, representing a year-on-year decrease of 1.3%; revenue from business process outsourcing (“BPO”) services was RMB43,459 million, remaining largely unchanged year-on-year; and revenue from applications, content, and other (“ACO”) services was RMB31,369 million, representing a year-on-year increase of 8.4%. The decline in revenue from the Group’s TIS services was primarily due to the reduced capital expenditure (CAPEX) by domestic telecommunications operators, the conservative investment by domestic non-operator customers, as well as the proactive control and reduction of low-value projects by the Group. With the deepened implementation of the Digital China strategy and the accelerated pace of digital information infrastructure construction, competition in the digital construction sector has evolved towards a higher level and greater refinement. During the year, facing a complex external environment and intense market competition, the Group seized opportunities in the construction of domestic computing power networks, data centers, and intelligent computing centers, enhanced its comprehensive integrated smart service capabilities, and strived to overcome the impact of the decline in CAPEX from domestic telecommunications operators and the investment from domestic non-operator customers, thereby maintaining relatively stable revenue from TIS services. The Group further consolidated its resources and promoted specialized operations, ensuring stable revenue from BPO services, which possess attributes such as strong customer loyalty and short cash conversion cycles. At the same time, with technological innovation as the lead, the Group aggregated its capabilities in research and development as well as product development, and focused on the business opportunities in informatization construction such as smart city upgrades, enterprise digital transformation, and emergency management.

As a result, the Group effectively met customer needs for digitalization, driving the development of its businesses such as system integration and software development, and sustaining robust growth in revenue from ACO services.

From a market perspective, revenue from the domestic telecommunications operator market was RMB83,603 million, representing a year-on-year increase of 2.3%; revenue from the domestic non-operator market reached RMB62,169 million, representing a year-on-year decrease of 2.0%; and revenue from the overseas market was RMB4,228 million, representing a year-on-year increase of 22.3%. In the domestic telecommunications operator market, with the effective implementation of its “CAPEX + OPEX + Smart Applications” development strategy, the Group actively addressed challenges posed by the reduced CAPEX investments from domestic operator customers. The Group focused on opportunities in computing power infrastructure construction, industrial digitalization, 5G+, and low-altitude economy, further developing the traditional CAPEX businesses. The Group also explored market opportunities in maintenance, property management and supply chain services, striving to increase its OPEX market share. The Group fully supported operators’ transformation needs in industrial digitalization, actively participating in the market expansion such as 5G industrial applications, industrial digitalization and network information security. Besides, the Group supported operators to achieve green development initiatives, contributing to the construction of “zero-carbon” data centers, green retrofit of machine rooms and the development of “dual carbon” energy-saving platforms, thereby stabilizing the fundamentals of the Group’s businesses from the domestic telecommunications operators. In the domestic non-operator market, the Group kept abreast of the trends in social technological revolutions and industrial transformations, seizing opportunities in digital economy development and digital transformation. It focused on strategic emerging industries such as digital infrastructure, smart city, green and low-carbon, and emergency management and security. Through continuously forging core capabilities and platforms as well as leveraging its advantages of integrated service capabilities, proactively reducing low-value businesses and strictly controlling project risks, the Group expanded its businesses with due consideration of project quality and the prevention of operational risks, thereby realizing high-quality development and continuous optimization of the revenue structure in the domestic non-operator market. The Group actively integrated itself into the new development paradigm of “dual-circulation with domestic and international development reinforcing each other”, seizing important opportunities presented by the “Belt and Road” and overseas industrial transformation and upgrading. It provided digital infrastructure construction, “dual carbon” services, smart government services and industrial informatization services to key regions and customers overseas, achieving rapid growth in revenue from the overseas market.

## Business Revenue Mix

The following table sets forth a breakdown of the Group's total revenues for 2023 and 2024, together with their respective changes:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	Change
<b>Telecommunications Infrastructure Services</b>			
Design services	9,917,391	10,550,076	(6.0%)
Construction services	60,673,388	61,188,251	(0.8%)
Project supervision and management services	<u>4,581,458</u>	<u>4,398,429</u>	4.2%
	<u>75,172,237</u>	<u>76,136,756</u>	(1.3%)
<b>Business Process Outsourcing Services</b>			
Management of infrastructure for information technology (Network Maintenance)	18,754,785	18,567,843	1.0%
General facilities management (Property Management)	8,122,502	7,884,713	3.0%
Supply chain	<u>13,559,545</u>	<u>13,371,776</u>	1.4%
<b>Sub-total of Core BPO Services</b>	<u>40,436,832</u>	<u>39,824,332</u>	1.5%
Products distribution	<u>3,022,186</u>	<u>3,726,282</u>	(18.9%)
	<u>43,459,018</u>	<u>43,550,614</u>	(0.2%)
<b>Applications, Content and Other Services</b>			
System integration	19,594,996	17,527,742	11.8%
Software development and system support	6,241,050	5,979,240	4.4%
Value added services	2,749,632	2,637,805	4.2%
Others	<u>2,783,170</u>	<u>2,782,519</u>	0.02%
	<u>31,368,848</u>	<u>28,927,306</u>	8.4%
<b>Total</b>	<u><u>150,000,103</u></u>	<u><u>148,614,676</u></u>	0.9%

### *Telecommunications Infrastructure Services*

In 2024, the Group's revenue from TIS services amounted to RMB75,172 million, representing a decrease of 1.3% as compared to RMB76,137 million in 2023. TIS services was the primary source of revenue of the Group and accounted for 50.1% of the total revenues, representing a decrease of 1.1 percentage points from 51.2% in 2023. As to the customer structure, the Group's TIS revenue from domestic telecommunications operator customers amounted to RMB41,087 million and accounted for 54.7% of the total TIS revenues, representing an increase of 1.0 percentage point from 2023. The aggregate TIS revenues from domestic non-operator customers and overseas customers amounted to RMB34,085 million and accounted for 45.3% of the total TIS revenues, representing a decrease of 1.0 percentage point from 2023.

In 2024, the Group's TIS revenue from domestic telecommunications operator customers increased by 0.5% compared to 2023. While maintaining its market leading position, the Group fully supported the business demand of domestic telecommunications operator customers and supported the construction of domestic computing power and 5G/5G-A networks. As domestic telecommunications operators continued to accelerate their digital transformation and increase investments in new infrastructure, such as computing power and data centers, and accelerated their pace of transformation and upgrading, the Group further integrated itself into the operators' ecosystem and enhanced its product and service capabilities to cater to the integrated network construction service demands of domestic telecommunications operators, thereby maintaining stable business development of the domestic telecommunications operators. The aggregate TIS revenue from domestic non-operator customers and overseas customers decreased by 3.3% compared to 2023, in which, the TIS revenue from domestic non-operator customers recorded a year-on-year decrease by 5.0%, and the TIS revenue from overseas customers recorded a year-on-year increase by 17.5%. The Group emphasized the business development quality in domestic non-operator market and reduced the undertaking of projects with low gross margins, high risks, and long collection cycles. Pursuant to the further implementation of the Digital China strategy, the acceleration in the pace of digital information infrastructure construction, the flourishing development of industrial digitalization, and the increasing demand for energy saving and carbon reduction, the Group will embrace new growth opportunities in the domestic non-operator market and overseas market.

### *Business Process Outsourcing Services*

In 2024, the Group's revenue from BPO services amounted to RMB43,459 million, remaining largely unchanged as compared to RMB43,551 million in 2023, and accounted for 29.0% of our total revenues, representing a decrease of 0.3 percentage point as compared to 29.3% in 2023. In terms of customer structure, the BPO revenue from domestic telecommunications operator customers amounted to RMB28,789 million, representing an increase of 1.7% over 2023, and accounting for 66.2% of the total BPO revenues, representing an increase of 1.2 percentage points from 2023. The aggregate BPO revenues from the domestic non-operator customers and overseas customers amounted to RMB14,670 million, representing a decrease of 3.8% over 2023, and accounting for 33.8% of the total BPO revenues, representing a decrease of 1.2 percentage points over 2023.

In 2024, among each of the businesses under the Group's BPO services, revenue from network maintenance amounted to RMB18,755 million, representing an increase of 1.0% as compared to 2023. The Group further optimized and integrated its business of property management, enhancing its synergistic operational capabilities and building smart service capabilities, resulting in revenue from property management of RMB8,122 million, representing an increase of 3.0% as compared to 2023. Revenue from the supply chain business reached RMB13,560 million, representing an increase of 1.4% as compared to 2023. The Group focused on the upstream and downstream customers, continuously leveraged its advantages in full-process and network-wide synergistic operation in the supply chain, providing integrated and full life cycle supply chain services to domestic telecommunications operators, government, and enterprise customers. Besides, revenue from products distribution business amounted to RMB3,022 million, representing a decrease of 18.9% as compared to 2023, which was mainly due to the Group's commitment to high-quality development and proactive control of the products distribution businesses with low efficiency.

#### *Applications, Content and Other Services*

In 2024, the Group's revenue from ACO services amounted to RMB31,369 million, representing an increase of 8.4% as compared to RMB28,927 million in 2023, and remaining as the fastest-growing business segment and the main driver for the growth of total revenues for the year. The revenue from ACO services accounted for 20.9% of total revenues, representing an increase of 1.4 percentage points from 19.5% in 2023, and this proportion has been increasing for several years. Among which, the system integration business recorded revenue of RMB19,595 million, representing an increase of 11.8% as compared to 2023, being the largest contributor to the growth of the total revenues. In terms of the customer mix, the Group's ACO revenue from domestic telecommunications operator customers amounted to RMB13,727 million and accounted for 43.8% of the total ACO revenues, representing an increase of 0.4 percentage point as compared to 2023. Aggregate ACO revenues from domestic non-operator customers and overseas customers amounted to RMB17,642 million, accounting for 56.2% of the total ACO revenues, representing a decrease of 0.4 percentage point over 2023.

In 2024, the Group's ACO revenue from both domestic telecommunications operator customers and domestic non-operator customers grew relatively fast and increased by 9.4% and 6.6% respectively as compared to 2023. The growth was mainly attributed to the Group's efforts in leveraging its capabilities and strengths in integrated services, system integration and software development to further expand the scope of ecological cooperation and seize domestic opportunities in new infrastructure construction and digital transformation, etc. By utilizing its proprietary core platforms and industry-leading smart product series, the Group effectively satisfied digitalization demand of its customers through vigorous expansion in markets such as 5G+, data center, smart city, green and low-carbon, emergency management and security, and low-altitude economy.

#### **Cost of Revenues**

The Group's cost of revenues in 2024 amounted to RMB132,404 million, representing an increase of 0.8% from 2023 and accounting for 88.3% of the total revenues.

The following table sets out a breakdown of the Group's cost of revenues in 2023 and 2024 and their respective changes:

	<b>2024</b>	2023	
	<b>RMB'000</b>	RMB'000	Change
Direct personnel costs	<b>8,208,384</b>	8,644,005	(5.0%)
Depreciation and amortization	<b>1,025,761</b>	1,017,154	0.8%
Materials costs	<b>25,579,237</b>	24,670,341	3.7%
Direct costs of products distribution	<b>2,815,082</b>	3,517,360	(20.0%)
Subcontracting charges	<b>80,405,717</b>	80,233,245	0.2%
Lease charges and others	<b><u>14,369,701</u></b>	<u>13,275,321</u>	8.2%
<b>Total cost of revenues</b>	<b><u>132,403,882</u></b>	<u>131,357,426</u>	0.8%

#### *Direct Personnel Costs*

In 2024, direct personnel costs amounted to RMB8,208 million, representing a decrease of 5.0% from RMB8,644 million in 2023. Direct personnel costs accounted for 5.5% of our total revenues, representing a decrease of 0.3 percentage point from 2023. The Group kept a reasonable control over its total headcount and continued to optimize the employee structure, which resulted in the continuous decrease of the proportion of direct personnel costs to total revenues. In terms of the Company's overall employee remuneration, remuneration per capita increased by 3.2%, which rose at a faster rate than the growth of total revenues, indicating that employees could share the results of corporate development.

#### *Depreciation and Amortisation*

In 2024, depreciation and amortisation amounted to RMB1,026 million, representing an increase of 0.8% from RMB1,017 million in 2023. Depreciation and amortisation cost accounted for 0.7% of our total revenues.

#### *Materials Costs*

In 2024, materials costs amounted to RMB25,579 million, representing an increase of 3.7% from RMB24,671 million in 2023. Materials costs accounted for 17.0% of our total revenues, representing an increase of 0.4 percentage point from 2023. The increase was because the Group optimized its business model and undertook major projects in general contracting model proactively. In addition, the fast development of system integration business, which involved relatively more materials, also drove up materials costs. The Group will continue to strengthen the management of general contracting projects and enhance materials cost control by improving its internal procurement system and further implementing centralized procurement.

### *Direct Costs of Products Distribution*

In 2024, direct costs of products distribution amounted to RMB2,815 million, representing a decrease of 20.0% from RMB3,518 million in 2023. Direct costs of products distribution accounted for 1.9% of our total revenues, representing a decrease of 0.5 percentage point from 2023. The decrease of direct costs of products distribution was mainly attributable to the Group's initiative to control certain products distribution business with low operation efficiency.

### *Subcontracting Charges*

In 2024, subcontracting charges amounted to RMB80,406 million, representing an increase of 0.2% from RMB80,233 million in 2023. Subcontracting charges accounted for 53.6% of our total revenues, representing a decrease of 0.4 percentage point from 2023. By strengthening the full-process management of subcontracting continuously, enhancing the management and supervision through systems, technologies and personnel, as well as improving the self-sufficient delivery capability, the Group effectively controlled the subcontracting costs, with the proportion of subcontracting costs to total revenues declined and the growth rate of subcontracting costs being lower than the growth rate of total revenues by 0.7 percentage point. The Group will continue to strengthen and regulate the management over subcontracting, with a view to maintaining the growth of subcontracting charges at a relatively reasonable level.

### *Lease Charges and Others*

In 2024, lease charges and others were RMB14,370 million, representing an increase of 8.2% from RMB13,275 million in 2023. Lease charges and others accounted for 9.6% of our total revenues, representing an increase of 0.7 percentage point from 2023. The increase was mainly due to the increase in leasing costs arising from the rapid growth of the Group's logistics, transportation and warehousing services among its supply chain business.

### **Gross Profit**

In 2024, the Group recorded gross profit of RMB17,596 million, representing an increase of 2.0% from RMB17,257 million in 2023. The Group's gross profit margin in 2024 was 11.7%, representing an increase of 0.1 percentage point from 11.6% in 2023, and the gross profit margin has continued to increase steadily. During the year, while catering for the scale of its development, the Group focused more on improving quality and efficiency, guided its subsidiaries through appraisal to strictly select and develop high-margin projects and increased the proportion of high-value businesses. At the same time, the Group continuously strengthened project management and cost control, and strove to enhance the value creation capability of its business. As a result of the above measures, gross profit margin continued to improve steadily. With the Group's deepening deployment in digital economy, new infrastructure construction and industrial digitalization areas, it is expected that the proportion of high-value businesses will gradually increase and thereby driving the trend of the Group's overall gross profit margin to improve.

## **Selling, General and Administrative Expenses**

In 2024, the selling, general and administrative expenses of the Group were RMB15,054 million, representing an increase of 0.9% from RMB14,913 million in 2023. The selling, general and administrative expenses accounted for 10.0% of our total revenues, remaining largely unchanged from 2023. Among them, the research and development expenses were RMB5,568 million, representing an increase of 0.3% from RMB5,552 million in 2023, and accounted for 3.7% of our total revenues, remaining largely unchanged as compared to 2023.

## **Finance Costs**

In 2024, the finance costs of the Group were RMB106 million, representing a decrease of 7.2% from RMB114 million in 2023. The majority of the Group's borrowings were in Hong Kong dollar and US dollar, and the decrease in finance cost was mainly due to the impact of the end of interest rate hike cycle of the US Federal Reserve and the stabilization and slight decrease in the cost of funds in international capital market.

## **Income Tax**

In 2024, the income tax of the Group was RMB357 million and its effective tax rate was 8.7%, representing a decrease of 0.5 percentage point from 9.2% in 2023. The decrease in the Group's effective tax rate and the difference between such effective tax rate and the statutory tax rate was mainly attributable to the Group's investment in research and development being maintained at a relatively large scale. In accordance with the relevant national policies, the Group enjoyed preferential income tax rate treatments as a high-technology enterprise and the preferential policy of tax deduction before income tax for research and development expenses. In 2024, certain subsidiaries of the Group that fell under the scope of high-technology enterprises were entitled to a preferential income tax rate of 15%. Certain enterprises in Western China benefited from the preferential policies for Western Development Program. Other than that, the Company and other domestic subsidiaries of the Group were mainly subject to an income tax rate of 25%. The overseas subsidiaries of the Group were subject to different tax rates in various countries.

## **Profit Attributable to Equity Shareholders of the Company and Basic Earnings Per Share**

In 2024, profit attributable to equity shareholders of the Company was RMB3,607 million, representing an increase of 0.6% over RMB3,584 million in 2023. Profit attributable to equity shareholders of the Company accounted for 2.4% of our total revenues, remaining largely unchanged from 2023. Basic earnings per share of the Company were RMB0.521 (2023: RMB0.518).

## **Capital Expenditure**

The Group implements stringent budget management over capital expenditure and makes adjustment according to changes in market condition. In 2024, capital expenditure of the Group amounted to RMB1,082 million, representing a decrease of 13.1% from RMB1,245 million in 2023. The capital



expenditure in 2024 accounted for 0.7% of the total revenues, representing a decrease of 0.1 percentage point from 2023. The Group's capital expenditure included the purchase of production equipment and tools, instrumentation, manufacture and office buildings, intangible assets and other operating assets.

## Cash Flow

In 2024, the Group recorded a net cash outflow of RMB3,286 million, representing a decrease of RMB4,124 million from a net cash inflow of RMB838 million in 2023. As at the end of 2024, the balance of cash and cash equivalents of the Group amounted to RMB19,638 million, of which 96.3% was denominated in Renminbi.

The following table sets out our cash flow positions in 2023 and 2024, respectively:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Net cash generated from operating activities	<b>6,220,990</b>	5,356,247
Net cash used in investing activities	<b>(7,165,349)</b>	(2,115,504)
Net cash used in financing activities	<b><u>(2,341,786)</u></b>	<u>(2,402,308)</u>
Net (decrease)/increase in cash and cash equivalents	<b><u>(3,286,145)</u></b>	<u>838,435</u>

In 2024, net cash generated from operating activities of the Group was RMB6,221 million, representing an increase of RMB865 million from RMB5,356 million in 2023. The increase in operating cash flow was mainly due to the Group's persistence in value-driven approach and the strengthening of its coordination and management of cash flow. While pursuing business development, the Group carried out effective measures in clearing and settling accounts receivables.

In 2024, net cash used in investing activities of the Group was RMB7,165 million, representing an increase of RMB5,049 million from RMB2,116 million in 2023. The increase was mainly due to the Group's strengthening of cash management as well as the coordination and arrangement of its funds.

In 2024, net cash used in financing activities of the Group was RMB2,342 million, representing a decrease of RMB60 million from RMB2,402 million in 2023.

## Working Capital

As at the end of 2024, the Group's working capital (i.e. current assets net of current liabilities) was RMB16,718 million, representing a decrease of RMB3,990 million from RMB20,708 million as at the end of 2023. The decrease in working capital was mainly due to the Group's strengthening of cash management as well as the coordination and arrangement of its funds.

## Assets and Liabilities

The Group continued to maintain its solid financial position. As at the end of 2024, the Group's total assets was RMB136,618 million, representing an increase of RMB14,828 million from RMB121,790 million as at the end of 2023. Total liabilities was RMB90,004 million, representing an increase of RMB11,882 million from RMB78,122 million as at the end of 2023. The liabilities-to-assets ratio was 65.9%, representing an increase of 1.8 percentage points from 64.1% as at the end of 2023.

## Indebtedness

As at the end of 2024, total indebtedness of the Group was RMB706 million, representing a decrease of RMB155 million from RMB861 million as at the end of 2023. Indebtedness of the Group was mainly denominated in Hong Kong dollar, of which Renminbi loan accounted for 11.6%, US dollar loan accounted for 25.4% and Hong Kong dollar loan accounted for 55.1%; and of which 1.1% was the loans with a fixed interest rate and 98.9% was those with a floating interest rate.

As at the end of 2024, our gearing ratio<sup>10</sup> was 1.5%, representing a decrease of 0.5 percentage point from the end of 2023.

## Contractual Obligations

The following table sets out our contractual commitments as at 31 December 2024:

	<b>Total</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>and after</i> <i>RMB'000</i>
Short-term debt	706,249	706,249	—	—	—	—
Lease commitments	90,482	36,553	20,490	14,150	10,819	8,470
Contracted for but not provided capital commitments	<u>54,189</u>	<u>54,189</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total of contractual obligations	<u>850,920</u>	<u>796,991</u>	<u>20,490</u>	<u>14,150</u>	<u>10,819</u>	<u>8,470</u>

## Exchange Rate

Most of the Group's revenues and expenses are denominated in Renminbi. As at the end of 2024, the balance of the Group's cash and cash equivalents in foreign currencies accounted for 3.7% of the balance of its total cash and cash equivalents, and 1.5% and 0.3% of the balance of its total cash and cash equivalents were denominated in US dollar and Hong Kong dollar, respectively.

<sup>10</sup> Gearing ratio represents total interest-bearing borrowings divided by the sum of equity attributable to equity shareholders of the Company and interest-bearing borrowings at the end of the financial year.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

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

## **AUDIT COMMITTEE**

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the risk management, internal control and financial reporting matters including the review of the annual report of the Company for the year ended 31 December 2024.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

As a joint stock limited company incorporated in the PRC with limited liability and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company has not only complied with the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") but also has abided by the PRC Company Law and the applicable laws, regulations and regulatory requirements of Hong Kong and the PRC as the basic guidelines for the Company's corporate governance. The Board believes that the Company complied with all code provisions as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules for the year ended 31 December 2024.

In response to the requirement of diversity on the Board under Rule 13.92 of the Listing Rules, the Board has already been proactively identifying a suitable candidate for a female director since the resignation of the former executive director, Ms. Zhang Xu. As stated in the announcement dated 27 March 2025, the Board has approved the nomination of Ms. Chiu Mun Wai as an independent non-executive director of the Company and will submit the proposal on such proposed appointment to the 2024 annual general meeting (the "Annual General Meeting") for consideration and approval by the shareholders of the Company.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

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 the directors and supervisors of the Company. The Company has made specific enquiries to the directors and supervisors, and each of the directors and supervisors has confirmed his/her compliance with the Model Code in connection with the transactions of the Company's securities during the reporting period.

## **CLOSURE OF SHARE REGISTER**

### **1. Annual General Meeting**

The H share register of members of the Company will be closed, for the purpose of determining the H share shareholders' entitlement to attend the Annual General Meeting to be held on Thursday, 29 May 2025, from Monday, 26 May 2025 to Thursday, 29 May 2025 (both days inclusive), during which period no transfer of H shares will be registered. In order to attend the Annual General Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged for registration with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 23 May 2025. H share shareholders of the Company who are registered on the register of members held by Computershare Hong Kong Investor Services Limited on Thursday, 29 May 2025 are entitled to attend the Annual General Meeting.

### **2. Proposed Final Dividend**

The Board proposes a final dividend of RMB0.2187 per share (pre-tax) for the year ended 31 December 2024. The dividend proposal will be submitted for consideration at the Annual General Meeting. If such proposed dividend distribution is approved by the shareholders, the final dividend will be distributed to those shareholders whose names appear on the register of members of the Company on Monday, 7 July 2025. The register of members will be closed from Wednesday, 2 July 2025 to Monday, 7 July 2025 (both days inclusive). In order to be entitled to the final dividend, H share shareholders who have not registered the transfer documents are required to lodge the transfer documents together with the relevant share certificates with 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. on Monday, 30 June 2025.

Dividends will be denominated and declared in Renminbi. Dividends will be paid in Renminbi for domestic share shareholders and H share shareholders (including enterprises and individuals) who invest in the H shares of the Company listed on Stock Exchange through the Shanghai Stock Exchange or Shenzhen Stock Exchange ("the Southbound Trading") (the "Southbound Shareholders"), and dividends for H share shareholders other than the Southbound Shareholders will be paid in Hong Kong dollars. The relevant exchange rate will be the average of the mid-point rates of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of approval of declaration of dividends by the Annual General Meeting. The record date for entitlement to the shareholders' rights and the relevant arrangements of dividend distribution for Southbound Shareholders are the same as those for the Company's H share shareholders. The proposed dividends are expected to be paid on or about Friday, 15 August 2025 upon approval at the Annual General Meeting.

The Company shall be obliged to withhold and pay income tax on behalf of overseas non-resident enterprise shareholders and overseas resident individual shareholders of H shares whose names appear on the Company's H share register of members on Monday, 7 July 2025 according to the following regulations:

For the overseas resident individual shareholders of the Company, pursuant to relevant laws and regulations including the Law of the People's Republic of China on Individual Income Tax, the Regulations for the Implementation of the Law of the People's Republic of China on Individual Income Tax, and the letter dated 28 June 2011 from the State Administration of Taxation to the Inland Revenue Department of Hong Kong, for individual H share shareholders receiving dividends who are Hong Kong or Macau residents or whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company, as a withholding agent, is required to withhold and pay individual income tax at the rate of 10%. For individual H share shareholders receiving dividends whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate lower than 10%, the Company will withhold the individual income tax at a tax rate of 10%. The Company can process applications on behalf of those shareholders to seek entitlement of the relevant agreed preferential treatments pursuant to relevant regulations, and upon approval by the tax authorities, the extra amount of tax withheld will be refunded. For individual H share shareholders receiving dividends whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate higher than 10% but lower than 20%, the Company will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends and no application procedures will be necessary. For individual H share shareholders receiving dividends whose country of domicile is a country which has not entered into any tax treaty with the PRC or are under other situations, the Company will withhold the individual income tax at a tax rate of 20% when distributing dividends.

For the overseas non-resident enterprise shareholders of the Company (including HKSCC Nominees Limited, corporate nominees or trustees, or other organizations or entities that are considered non-resident enterprise shareholders), pursuant to the Law of the People's Republic of China on Enterprise Income Tax, the Regulations for the Implementation of the Law of the People's Republic of China on Enterprise Income Tax and relevant rules and regulations, as a withholding agent, the Company is required to withhold and pay the enterprise income tax at the tax rate of 10% on behalf of the overseas non-resident enterprise shareholders.

For the Southbound Shareholders of the Company, the Shanghai branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the Southbound Shareholders, will receive all dividends distributed by the Company and will distribute the dividends to the Southbound Shareholders through its depository and clearing system. According to the relevant provisions under the "Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Programme (Cai Shui [2014] No. 81)" and "Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme (Cai Shui [2016] No. 127)", the Company shall withhold

individual income tax at the rate of 20% with respect to dividends received by the Mainland individual investors for investing in the H shares of the Company listed on the Stock Exchange through the Southbound Trading. In respect of the dividends for the investment of Mainland securities investment funds investing in the H shares of the Company listed on Stock Exchange through the Southbound Trading, the tax levied on dividends derived from such investment shall be ascertained by reference to the rules applicable to the treatment of individual income tax. The Company is not required to withhold income tax on dividends derived by the Mainland enterprise investors under the Southbound Trading, and such enterprises shall report the income and make tax payment by themselves.

Should the H share shareholders of the Company have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax impact in mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H shares of the Company.

## **ANNUAL REPORT**

The Annual Report for the year ended 31 December 2024 will be dispatched to shareholders and made available on the HKExnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.chinaccs.com.hk](http://www.chinaccs.com.hk)) in due course.

## **FORWARD-LOOKING STATEMENTS**

The Company would also like to caution readers about the forward-looking nature of certain of the above statements. These forward-looking statements are subject to risks, uncertainties and assumptions, which are beyond our control. Potential risks and uncertainties include those concerning, among others, the change of macroeconomic environment, natural disaster, the growth of the relevant industries, the development of the regulatory environment and our ability to successfully execute our business strategies. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. We do not intend to update these forward-looking statements. Actual results of the Company may differ materially from the information contained in the forward-looking statements as a result of a number of factors.

Beijing, PRC  
27 March 2025

*As at the date of this announcement, our executive directors are Mr. Luan Xiaowei, Mr. Cui Zhanwei and Mr. Shen Aqiang, our non-executive directors are Mr. Tang Yongbo and Mr. Liu Aihua, and our independent non-executive directors are Mr. Siu Wai Keung, Francis, Mr. Lv Tingjie, Mr. Wang Qi and Mr. Wang Chung.*