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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 2025**

HIGHLIGHTS

- The Group firmly seized opportunities arising from various areas including the booming demand for intelligent computing in the era of artificial intelligence, while actively responding to the challenges stemming from customers' cautious investment and intensifying market competition, and achieved steady yet improving operating results and overall enhancements in quality and efficiency:
 - Revenues were RMB150,093 million, up by 0.1% year-on-year.
 - Net profit was RMB3,610 million, up by 0.1% year-on-year.
 - Gross profit margin was 11.3%, down by 0.4 percentage points year-on-year.
 - Net profit margin was 2.4%, remaining largely stable over the past four years.
- By leveraging its advantage in integrated “Planning, Construction, Maintenance and Operation”¹ service capabilities, the Group seized opportunities arising from AI-driven intelligent computing and data center construction, as well as urban renewal and green transformation, thereby fortifying the quality of development across its three major customer markets. Among these, the domestic non-operator market drove results growth.
- The Group will further elevate the connotation of its strategic positioning as a “New Generation Integrated Smart Service Provider”, deepen the implementation of the “AI+” initiative and convert the AI dividend into new growth momentum, striving to secure a good start for the 15th Five-Year Plan period.
- The Board has proposed a final dividend of RMB0.2241 per share, up by 2.5% year-on-year, representing a dividend payout ratio of 43%, up by 1 percentage point year-on-year.

¹ “Planning, Construction, Maintenance and Operation” represents the Group’s service capabilities in these areas.

CHAIRMAN’S STATEMENT

Dear Shareholders,

In 2025, a new round of technological revolution and industrial transformation gained further momentum. Artificial intelligence was widely integrated across various industries and sectors of the economy and society, continuously reshaping economic development models and people’s lifestyles. Fulfilling its mission of “building China into a cyberpower, a strong country in science and technology, Digital China and safeguarding network and information security”, the Group closely followed the transformation and development needs of the industry and customers, actively integrated frontier technologies, enhanced comprehensive service capabilities, and developed new quality productive forces tailored to local conditions. At the same time, by pursuing more in-depth innovation and transformation and continuously modernizing its corporate governance system and capabilities, the Group achieved “Effective Improvement in Quality and Reasonable Growth in Quantity”, and completed the objectives of the 14th Five-Year Plan period, laying a solid foundation for future high-quality development.

I. Achieving Steady Yet Improving Operating Results and Overall Enhancements in Quality and Efficiency

Adhering to its overall roadmap of “Value-Driven, Seeking Steady Yet Progressive Growth and High-Quality Development”, the Group proactively responded to the challenges stemming from customers’ cautious investment and intensifying market competition. It recorded stable growth in revenues, with efficiency indicators stabilizing and trending positively. During the year, the Group recorded revenues of RMB150,093 million, representing a year-on-year increase of 0.1%. Among this, service revenue² amounted to RMB146,161 million. Gross profit reached RMB16,957 million, representing a year-on-year decrease of 3.6%. The gross profit margin was 11.3%, down by 0.4 percentage points year-on-year. Net profit³ was RMB3,610 million, representing a year-on-year increase of 0.1%, in line with revenue growth. The net profit margin was 2.4%, remaining largely stable over the past four years. Free cash flow amounted to RMB795 million. Return on equity (ROE) was 7.7%. Basic earnings per share were RMB0.521, which was largely stable year-on-year. The Group attached great importance to shareholder returns, and in light of the solid operating results throughout the year, the Board has proposed a final dividend of RMB0.2241 per share for the financial year ended 31 December 2025, representing a year-on-year increase of 2.5% and a dividend payout ratio of 43%.

² Service revenue = revenues – revenue from products distribution – revenue from IT equipment supplies in system integration

³ Net profit refers to profit attributable to the equity shareholders of the Company.

1. *Upholding the Customer-first Approach, and Steadily Developing Three Major Business Segments*

In 2025, revenue from the telecommunications infrastructure (“TIS”) services reached RMB74,391 million, representing a year-on-year decrease of 1.0% and accounting for 49.6% of revenues, reflecting the impact from the overall investment environment by our customers. By steadily advancing business integration and gaining deeper insights into customers’ needs for upgrade, the Group’s revenue from business process outsourcing (“BPO”) services amounted to RMB44,062 million, representing a year-on-year increase of 1.4% and accounting for 29.3% of revenues. The Group gave full play to the productive force of digital technologies, and revenue from applications, content, and other (“ACO”) services reached RMB31,640 million, representing a year-on-year increase of 0.9% and accounting for 21.1% of revenues. Of which, the software development and system support business achieved double-digit growth, and the Group’s enterprise software and digital service capabilities were recognized by both the industry and customers.

2. *Capitalizing on our Capability Advantages to Fortify the Quality of Development across Three Major Customer Markets*

(A) Supporting transformation and upgrading of domestic telecommunications operators, and maintaining stable overall business fundamentals. Despite headwinds including the continuous decline in capital expenditure by domestic telecommunications operators, the Group strived to promote business expansion in areas such as the iterative upgrade of new infrastructure, computing power network construction, green infrastructure retrofit, industrial digital intelligence empowerment, as well as operations and maintenance. Leveraging its advantages in differentiated capabilities, the Group provided integrated comprehensive solutions that were “green, intelligent, integrated, and efficient” to support customers in achieving strategic upgrades as well as innovation and reforms, thereby steadily increasing market share. During the year, revenue from this market reached RMB80,212 million, representing a year-on-year decrease of 4.1%.

(B) Seizing strategic opportunities with domestic non-operator market driving growth of results. The Group capitalized on opportunities from AI-powered intelligent computing and data center construction, as well as urban renewal and green transformation. Leveraging its advantages in “Consultant + Staff + Housekeeper”⁴ service and “Platform + Software + Service”⁵ capabilities, it provided integrated, end-to-end services that combined cloud integration, artificial intelligence integration, security integration, and platform integration. The Group undertook a number of industry benchmark projects across fields including digital infrastructure, intelligent construction, green and low-carbon, smart operation and maintenance, smart sports, and the low-altitude economy. Revenue from the domestic non-telecom operator (“domestic non-operator”) market amounted to RMB65,613 million during the year, representing a year-on-year increase of 5.5% and becoming the primary driver of the growth in overall revenue.

(C) Focusing on key regions and developing steadily in overseas markets. In response to the complex and ever-changing global landscapes, the Group continued to optimize its operating model and expanded high-value projects along the key regions of the “Belt and Road”. In regions such as Asia-Pacific, Africa, and the Middle East, the Group successfully undertook landmark projects such as national-level smart hubs and world-class photovoltaics projects, effectively enhancing the international influence of the “Made in China” and “China Services” brands. Revenue from the overseas market reached RMB4,268 million during the year, representing a year-on-year increase of 1.0%.

⁴ “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 met. “Housekeeper” means that the Group provides full life cycle management and accompanying service of the relevant businesses and creates values for customers.

⁵ “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. Deepening the Development of Strategic Emerging Businesses and Stepping Up the Cultivation of New Growth Drivers

In 2025, by leveraging its advantages in end-to-end service capabilities, nationwide localized delivery network, and cross-industry service replication capabilities, the Group empowered key industries such as government, transportation, Internet, energy and finance, while maintaining a relatively rapid growth rate in its strategic emerging businesses. The total value of new contracts signed from such businesses during the year increased by 21.7% year-on-year, accounting for over 46% of the total value of new contracts signed and representing an increase of 9 percentage points from the previous year. These businesses became a powerful engine driving high-quality business development.

1. *The Field of Digital Infrastructure*

The Group actively seized the booming demand for intelligent computing in the era of artificial intelligence and continued to pursue technological innovation and iteration to build smarter, greener and safer digital infrastructure, with its business scale continuing to expand. Leveraging the advantages of next-generation digital intelligence and green technology, as well as its comprehensive service capabilities to offer general contracting and integrated solutions, the Group participated in the construction of new infrastructure such as general-purpose computing, intelligent computing, supercomputing centers, 5G-A, satellite Internet, and low-altitude. At the same time, it supported the digital transformation and upgrading of infrastructure in traditional industries such as energy, electricity, and urban renewal. The value of new contracts signed in this field grew by nearly 40% during the year, leading the continuous growth of strategic emerging businesses.

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

The Group actively contributed to the national goals of energy security and sustainable green development. Centering on the new power infrastructure sector, it promoted the deep integration of digital technology with green and low-carbon scenarios to provide replicable and efficient green energy solutions for various scenarios. Focusing on green electricity development and electricity reform, it continued to enhance the quality of key businesses such as electricity infrastructure and supporting services, new energy construction, energy usage services, and carbon management. Through these efforts, it promoted the comprehensive green transformation of the energy and electricity, industrial manufacturing, transportation, real estate construction, and information and communications sectors.

3. *The Field of Smart City*

Following the high-quality promotion of urban renewal initiatives, the Group used technology to empower city-wide digital transformation. By responding precisely to public needs, it provided the digital engine for the intelligent upgrading of social infrastructure and the modernization of public services, and achieved improvements in both the quality of life and urban governance efficiency. Relying on frontier technologies such as artificial intelligence, the Internet of Things, and big data, as well as its integrated service capabilities of “consulting + general contracting + software + platform + service”, and its provincial, municipal, and county-level three-tier localized professional delivery teams, the Group secured projects worth over RMB100 million in the fields of digital government, social governance, smart transportation, smart buildings, and smart medical care.

4. *The Field of Emergency Management and Security*

The Group is committed to strengthening public safety governance as well as network information security capabilities, thereby building a solid foundation for economic and social developments. In emergency management, it focused on creating “emergency management + security” industry solutions, enhancing professional services and value delivery for key industries such as meteorology, water conservancy, chemical, and mining. The Group supported improvements in emergency response capabilities in many regions across the country, and achieved breakthroughs in areas such as “weather modification engineering” and grassroots disaster prevention. In network and information security, it strengthened the supply of proprietary and controllable cybersecurity operation products and data security products, and enhanced service capabilities, product capabilities, and benchmark cases through ongoing iterative upgrades. Hence, the Group was included in the “China Cybersecurity Industry Panorama” published by AQNIU⁶.

⁶ “AQNIU” is a highly influential third-party professional media and flagship think tank in China’s cybersecurity industry.

III. Adhering to the Spirit of Reform and Innovation to Push Forward High-quality Development

1. *Strengthening the Drive from Technological Innovation to Develop New Quality Productive Forces*

The Group believes that technological innovation is the core element in developing new quality productive forces. By focusing on research and development investments in core areas, it established the dual-driven product supply system of “technological innovation + market”, where innovative achievements continued to emerge and effectively empowered high-quality business development of enterprises. The Group has built the “Smart Series” core product matrix externally and the “Wise Series” empowerment platform internally. It optimized the marketing application model and R&D efficiency evaluation mechanism, while successfully cultivating more than 30 products with contract values exceeding RMB50 million each, and over 60 products with contract values exceeding RMB10 million each. During the year, the Group obtained 504 newly authorized invention patents and 1,300 software copyrights. It made a breakthrough in ranking among the top three of “100 Most Competitive Software & IT Service Enterprises”. It also received several major honors including the second prize of the Science and Technology Award from the China Institute of Communications and the first prize of the third “Huacai Cup” Computing Power Innovation Application Competition⁷. In addition, the Group secured its first-ever project from the National Natural Science Foundation of China, demonstrating its overall technological innovation strengths.

⁷ The “Huacai Cup” Computing Power Innovation Application Competition is a national professional competition organized by the China Academy of Information and Communications Technology, the China Communications Standards Association, the Internet Society of China and other units.

2. *Fully Embracing Artificial Intelligence to Build Core Competitiveness*

The Group seized the strategic opportunity presented by the new generation of artificial intelligence development, and implemented the “AI+” initiative in depth. By investing substantial R&D resources and building a high-level expert talent pool, it converted AI dividend into new drivers of high-quality development. The Group participated in the construction of intelligent computing centers, and provided integrated services covering “Planning, Construction, Maintenance and Operation” to meet customers’ infrastructure needs for computing power and energy, thereby building a solid foundation for artificial intelligence development. Focusing on research and development of scenario-based application, it empowered product iteration and platform upgrades with artificial intelligence technology. The Group developed flagship products and solutions in the fields of smart sports, smart grain storage, and smart energy conservation, which empowered a wide range of industries. At the same time, it actively applied artificial intelligence technology to redesign internal operation and governance processes, promoted the implementation of large model applications within enterprises, and leveraged its own experience in digital intelligence transformation to help customers achieve business upgrades. The Group was deeply involved in the research and development of the “Procurement and Supply Chain Large Model” project, which won the Gold Award in the “2025 Artificial Intelligence Application Competition”⁸.

3. *Developing New Business Tracks and Continuously Enriching Core Capabilities*

The Group focused on smart services in the intelligent computing operations and maintenance sector, and built the “CCS Smart Maintenance” brand. It closely examined emerging customer needs, and provided operational services characterized by full-cycle value management to accelerate the expansion into new “blue ocean” for high-quality development. Centering on the six major technical fields of “CT, IT, DT, OT, AT, and QT”⁹, the Group expanded the boundaries of traditional maintenance services and enriched the scope of business offering. It also improved and optimized the mechanism for marketing and project delivery to enhance business profitability. By strengthening long-term operational services, it continued to foster customer loyalty and service depth, turning “CCS Smart Maintenance” into a recurring business that supports high-quality development.

⁸ The 2025 Artificial Intelligence Application Competition is one of the core activities of the “2025 Procurement and Supply Management Conference”, hosted by the China Federation of Logistics and Purchasing. With the theme of “AI Empowerment, Winning the Future of Supply Chain”, it aimed to promote the deep integration of artificial intelligence technologies with procurement and supply chains, so as to inject new momentum into the intelligent upgrading of the global industrial chains.

⁹ CT (Communications Technology), IT (Information Technology), DT (Data Technology), OT (Operational Technology), AT (Artificial Intelligence Technology), QT (Quantum Technology)

4. Further Deepening Reforms to Improve Corporate Governance Capabilities

The Group remained devoted to implementing the new development concept and further deepened reforms in an all-round way. It continued to modernize the corporate governance system and governance capabilities, thereby enhancing the vitality and momentum of high-quality development. It advanced reforms across various professional sectors, strengthened the synergistic operation in key areas, improved supply chain industry system and core functions, promoted the integration and standardization of property management services, and built a national-level, technology-driven industry leader. The Group also continued to optimize the structure of the talent team, refined the management mechanism covering “introduction, training, utilization, evaluation, incentives, services, and digital intelligence”, and encouraged innovation and creativity among employees. The Group remained committed to high-level opening up. It deepened cooperation in strategic emerging businesses, technological innovation, overseas expansion, talent introduction and other fields through platform co-development, technology collaboration, and capital operation to foster a mutually beneficial and symbiotic industrial ecosystem.

IV. Actively Fulfilling Social Responsibilities and Receiving Recognition for Corporate Governance

The Group adhered to the corporate mission of “Building Smart Society, Boosting Digital Economy, Serving a Good Life”. It has established a robust ESG indicator system to continuously enhance ESG governance standards. By implementing the principles of green development, it supported the comprehensive green transformation of society. It also participated in communications support and emergency disaster relief missions, contributed to social welfare, and strengthened the defense line for compliance and lawful operations, so as to safeguard sustainable and healthy business development. For four consecutive years, the Group has been included as a constituent of the “Hang Seng Corporate Sustainability Benchmark Index”.

Anchored to the national “Dual Carbon” strategic goal, the Group established the “Leading Working Group for Energy Conservation and Ecological Environmental Protection”. It formulated a three-year rolling plan for green development, improved the organizational system and regulations for energy conservation and emission reduction, and integrated green and low-carbon principles throughout the whole process of corporate production and operation. The Group continued to promote the innovation and application of green energy-saving technologies, and provided green solutions such as green computing power, energy-saving retrofit, and full-stack new energy services for customers in various industries such as telecommunications operators, governments, energy, transportation, and construction. As a result, the Group won multiple awards at the third “New Green Cup” Information and Communications Industry Empowerment Carbon Peak and Carbon Neutrality Innovation Competition¹⁰.

¹⁰ The “New Green Cup” Information and Communications Industry Empowerment Carbon Peak and Carbon Neutrality Innovation Competition, jointly organized by the Internet Society of China, China Association of Communication Enterprises, and 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 also actively assumed social responsibility and participated in major event support and disaster relief tasks. It successfully completed communications support tasks for important activities such as the “2025 Harbin Asian Winter Games”, the “15th National Games”, and the island-wide customs closure operation of the Hainan Free Trade Port. In the face of major disasters such as heavy rainstorms and floods across multiple regions in China, typhoons “Wutip” and “Ragasa”, and the Tai Po fire in Hong Kong, the Group responded quickly by deploying personnel to the front line of disaster relief and spared no effort in ensuring uninterrupted communications in the affected areas, fulfilling its commitment to putting “people first”.

The Group maintained high standards of corporate governance. It continued to strengthen law-based corporate governance, and refined its compliance system to form a four-in-one coordination mechanism combining legal affairs, compliance, internal control, and risk management. The Group improved the quality and transparency of information disclosure on an ongoing basis, and its strong corporate governance performance was recognized by the capital market. Apart from being ranked the 1,402nd in the “2025 Forbes Global 2000” list, the Group received the accolades including “Most Honored Company”, “Best IR Program”, “Best ESG” and “Best Company Board” at the “2025 Asia (ex-Japan/ANZ) Executive Team” rankings organized by *Extel* (formerly *Institutional Investor*). It also received the “Sustainable Asia Award” and “Best Investor Relations Company” in the “15th Asian Excellence Award” organized by *Corporate Governance Asia*, an Asian corporate governance magazine. At the 15th China Securities “Golden Bauhinia Awards” hosted by Hong Kong Ta Kung Wen Wei Media Group, it received the “Excellence in IR Management of Listed Company” award.

V. Outlook

At present, digital technologies represented by artificial intelligence are profoundly reshaping the industry landscape and driving revolutionary leaps in productivity and deep changes in production relations. In the face of this historic opportunity and challenge, the Group is elevating the connotation of its strategic positioning as a “New Generation Integrated Smart Service Provider”. Adhering to the customer-centric approach, the Group focuses on the demands for comprehensive, integrated and diversified digital services across industries, and builds itself into a “Pioneer of Digital Intelligence Consulting”, a “Navigator of Digital Intelligence Infrastructure”, a “Leader of Digital Intelligence Maintenance and Operation” and a “Provider of Digital Intelligence Products”. In the consulting and design sector, the Group will use digital intelligence technologies such as artificial intelligence, big data, and security technologies as the engine to provide customers with digital intelligence transformation solutions. In the construction sector, it will accelerate the development of integrated service capabilities to offer general contracting and integrated solutions for new infrastructure including next-generation information and communications infrastructure as well as general-purpose computing, intelligent computing, and supercomputing centers. The Group will build more intelligent, greener and safer digital infrastructure, and lead the establishment of technology, standards and operational systems. In the operation and maintenance sector, it will use artificial intelligence, big data, and next-generation communications technologies to actively provide intelligent support services such as operation and maintenance, supply chain, property management, and training support. The Group will continue to promote the “AI+” initiative, advance the “Five Major Projects”, including transformation and development, reform and renewal, technological innovation, strengthening the enterprise through talents, and safety enhancement. At the same time, it will coordinate the upgrading of traditional businesses, the expansion of strategic emerging businesses, and the charting of our path into future industries. By balancing high-quality development and high-level security, it strives to ensure a good start for the 15th Five-Year Plan period.

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.

Luan Xiaowei

Executive Director and Chairman

Beijing, PRC

31 March 2026

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 2025, extracted from the audited consolidated financial statements of the Group as set out in its 2025 annual report.

Consolidated statement of profit or loss

for the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenues	4	150,092,609	150,000,103
Cost of revenues	5	<u>(133,135,975)</u>	<u>(132,403,882)</u>
Gross profit		16,956,634	17,596,221
Other income	6	1,711,669	1,712,204
Selling, general and administrative expenses		(14,412,158)	(15,054,014)
Other expenses		(174,031)	(187,212)
Finance costs	7	(86,836)	(105,515)
Share of profits of associates and joint ventures		<u>125,917</u>	<u>149,149</u>
Profit before tax	8	4,121,195	4,110,833
Income tax	9	<u>(371,457)</u>	<u>(357,436)</u>
Profit for the year		<u>3,749,738</u>	<u>3,753,397</u>
Attributable to:			
Equity shareholders of the Company		3,610,019	3,606,861
Non-controlling interests		<u>139,719</u>	<u>146,536</u>
		<u>3,749,738</u>	<u>3,753,397</u>
Basic/diluted earnings per share (RMB)	10	<u>0.521</u>	<u>0.521</u>

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Profit for the year		<u>3,749,738</u>	<u>3,753,397</u>
Other comprehensive income for the year (after tax)	<i>11</i>		
Item that will not be reclassified to profit or loss (after tax):			
Equity instruments at fair value through other comprehensive income:			
Net movements in the fair value reserve		309,187	775,411
Remeasurements of defined benefit plans		22	(150)
Item that may be subsequently reclassified to profit or loss (after tax):			
Exchange differences on translation of financial statements of subsidiaries outside of Mainland China		<u>(2,398)</u>	<u>(18,023)</u>
		<u>306,811</u>	<u>757,238</u>
Total comprehensive income for the year		<u>4,056,549</u>	<u>4,510,635</u>
Attributable to:			
Equity shareholders of the Company		3,916,883	4,364,828
Non-controlling interests		<u>139,666</u>	<u>145,807</u>
		<u>4,056,549</u>	<u>4,510,635</u>

Consolidated statement of financial position

at 31 December 2025

	31 December 2025	31 December 2024
	<i>Note</i> RMB'000	RMB'000
Non-current assets		
Property, plant and equipment, net	5,952,308	5,910,252
Right-of-use assets	1,877,917	2,020,473
Investment properties	1,699,929	1,730,368
Construction in progress	776,983	1,074,572
Goodwill	103,005	103,005
Intangible assets	769,774	794,529
Interests in associates and joint ventures	1,318,293	1,377,552
Financial assets at fair value through profit or loss	435,105	385,070
Equity instruments at fair value through other comprehensive income	4,795,324	4,500,818
Deferred tax assets	999,062	1,037,039
Deposits at financial institutions with original maturity more than one year	15,435,885	12,170,901
Other non-current assets	714,330	840,012
Total non-current assets	34,877,915	31,944,591
Current assets		
Inventories	1,181,544	1,183,231
Accounts and bills receivables, net	13 22,428,627	25,296,205
Contract assets, net	14 41,078,390	37,767,809
Current portion of deposits at financial institutions with original maturity more than one year	1,126,583	3,603,728
Prepayments and other current assets	18,795,796	14,486,725
Short-term bank deposits and restricted cash	2,851,711	2,697,251
Cash and cash equivalents	14,341,265	19,638,036
Total current assets	101,803,916	104,672,985
Total assets	136,681,831	136,617,576
Current liabilities		
Interest-bearing borrowings	699,358	706,249
Accounts and bills payables	15 63,142,294	65,894,889
Current portion of lease liabilities	505,329	454,967
Contract liabilities	16 9,660,358	9,190,050
Accrued expenses and other payables	11,348,007	11,420,957
Income tax payable	245,678	287,567
Total current liabilities	85,601,024	87,954,679
Net current assets	16,202,892	16,718,306
Total assets less current liabilities	51,080,807	48,662,897

Consolidated statement of financial position (Continued)*at 31 December 2025*

	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities		
Lease liabilities	756,726	868,286
Other non-current liabilities	212,512	242,025
Deferred tax liabilities	<u>1,023,602</u>	<u>939,434</u>
Total non-current liabilities	<u>1,992,840</u>	<u>2,049,745</u>
Total liabilities	<u>87,593,864</u>	<u>90,004,424</u>
Equity		
Share capital	6,926,018	6,926,018
Reserves	<u>40,912,682</u>	<u>38,509,853</u>
Equity attributable to equity shareholders of the company	47,838,700	45,435,871
Non-controlling interests	<u>1,249,267</u>	<u>1,177,281</u>
Total equity	<u>49,087,967</u>	<u>46,613,152</u>
Total liabilities and equity	<u><u>136,681,831</u></u>	<u><u>136,617,576</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 new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period 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 accounting period 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 21, The effects of changes in foreign exchange rates: Lack of exchangeability

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

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from telecommunications infrastructure services	74,391,260	75,172,237
Revenue from business process outsourcing services	44,061,421	43,459,018
Revenue from applications, content and other services	<u>31,639,928</u>	<u>31,368,848</u>
	<u>150,092,609</u>	<u>150,000,103</u>

The Group's major customers are telecommunications operators mainly including CTC Group and CM Group. Revenues from the provision of integrated telecommunications support services to CTC Group and CM Group for the year ended 31 December 2025 amounted to RMB56,667 million and RMB12,273 million, respectively (2024: RMB59,134 million and RMB13,041 million, respectively) being 37.8% and 8.2% of the Group's total revenues, respectively (2024: 39.4% and 8.7%, respectively). The revenues derived from areas outside Mainland China for the year ended 31 December 2025 amounted to RMB4,268 million (2024: RMB4,228 million).

5. COST OF REVENUES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Subcontracting charges	81,316,294	80,405,717
Materials costs	26,415,523	25,579,237
Direct personnel costs	7,710,598	8,208,384
Direct costs of products distribution	2,748,968	2,815,082
Expense relating to short-term leases and leases of low-value assets	1,305,452	1,244,655
Depreciation and amortisation	1,007,405	1,025,761
Others	<u>12,631,735</u>	<u>13,125,046</u>
	<u>133,135,975</u>	<u>132,403,882</u>

6. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	519,724	665,373
Management fee income	395,423	394,394
Input tax credits	4,078	31,865
Government grants	231,755	192,701
Dividend income from equity instruments at Fair Value Through Other Comprehensive Income	309,543	192,751
Write-back of non-payable liabilities	74,750	64,612
Gain on disposal of property, plant and equipment, intangible assets and right-of-use assets	40,612	20,909
Net foreign exchange gain	—	8,449
Others	<u>135,784</u>	<u>141,150</u>
	<u>1,711,669</u>	<u>1,712,204</u>

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	39,388	55,911
Interest on lease liabilities	<u>47,448</u>	<u>49,604</u>
	<u>86,836</u>	<u>105,515</u>

For the year ended 31 December 2025, no borrowing costs were capitalised in relation to construction in progress (2024: Nil).

8. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(a) Staff costs:		
Salaries, wages and other benefits	15,595,245	16,243,716
Contributions to defined contribution retirement schemes	<u>2,268,204</u>	<u>2,321,759</u>
	<u>17,863,449</u>	<u>18,565,475</u>
(b) Other items:		
Depreciation		
— Property, plant and equipment	782,488	779,272
— Right-of-use assets	553,335	608,218
— Investment properties	88,068	93,447
Amortisation		
— Intangible assets	206,433	194,441
Auditors' remuneration	30,311	25,823
Write-down of inventories, net	30,143	11,839
Impairment losses recognised and reversed on accounts receivables, other receivables, contract assets and others, net	<u>145,098</u>	<u>514,792</u>

The selling expenses, general and administrative expenses, research and development costs and others of the Group are RMB2,737 million, RMB5,634 million, RMB5,467 million and RMB574 million (2024: RMB2,661 million, RMB5,806 million, RMB5,568 million and RMB1,019 million), respectively for the year ended 31 December 2025.

9. INCOME TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax	324,495	371,135
Deferred tax	<u>46,962</u>	<u>(13,699)</u>
Total income tax	<u><u>371,457</u></u>	<u><u>357,436</u></u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	<u>4,121,195</u>	<u>4,110,833</u>
Expected income tax expense at a statutory tax rate of 25% (2024: 25%)	1,030,299	1,027,708
Differential/preferential tax rates on subsidiaries' income (<i>notes (i)(ii)</i>)	(155,617)	(152,832)
Non-deductible expenses	128,451	200,385
Non-taxable income	(111,634)	(87,078)
Tax losses and other temporary differences not recognised	122,438	117,219
Utilisation of previously unrecognised tax losses	(12,871)	(16,562)
Adjustments in respect of current income tax of previous years	22,103	14,108
Additional deduction of research and development expenses (<i>note (iii)</i>)	<u>(651,712)</u>	<u>(745,512)</u>
Income tax	<u><u>371,457</u></u>	<u><u>357,436</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 2025 (2024: 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% (2024: 15%, 15% and 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 (2024: 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 2025 of RMB3,610,019 thousand (2024: RMB3,606,861 thousand) and number of shares in issue during the year ended 31 December 2025 of 6,926,018 thousand shares (2024: 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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Changes in fair value of equity instruments at fair value through other comprehensive income recognised during the year	411,587	1,034,873
Net deferred tax charged to other comprehensive income	(102,400)	(259,462)
Remeasurements of defined benefit plans	22	(150)
Exchange differences on translation of financial statements	<u>(2,398)</u>	<u>(18,023)</u>
Other comprehensive income for the year	<u><u>306,811</u></u>	<u><u>757,238</u></u>

12. DIVIDENDS

(a) Dividends attributable to the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend proposed after the end of reporting period of RMB0.2241 per share (2024: RMB0.2187 per share)	<u><u>1,552,121</u></u>	<u><u>1,514,720</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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.2187 per share (2024: RMB0.2174 per share)	<u><u>1,514,720</u></u>	<u><u>1,505,716</u></u>

13. ACCOUNTS AND BILLS RECEIVABLES, NET

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bills receivables	740,688	1,410,736
Accounts receivables	<u>24,381,687</u>	<u>26,509,784</u>
	25,122,375	27,920,520
Less: allowance for credit losses	<u>(2,693,748)</u>	<u>(2,624,315)</u>
	<u><u>22,428,627</u></u>	<u><u>25,296,205</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:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	18,833,729	21,423,491
After 1 year but less than 2 years	2,459,480	2,900,914
After 2 years but less than 3 years	861,243	718,462
After 3 years but less than 4 years	181,144	161,188
After 4 years but less than 5 years	43,743	43,676
Over 5 years	<u>49,288</u>	<u>48,474</u>
	<u><u>22,428,627</u></u>	<u><u>25,296,205</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

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Telecommunications infrastructure services	34,809,759	32,552,493
Business process outsourcing services	1,635,318	1,469,655
Applications, content and other services	5,195,785	4,271,528
	41,640,862	38,293,676
Less: allowance for credit losses	(562,472)	(525,867)
	41,078,390	37,767,809

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:

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts payables	57,622,659	59,837,140
Bills payables	5,519,635	6,057,749
	63,142,294	65,894,889

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

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	60,568,007	63,309,727
After 1 year but less than 2 years	1,447,741	1,319,642
After 2 years but less than 3 years	425,937	492,037
After 3 years	700,609	773,483
	63,142,294	65,894,889

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

	31 December 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Telecommunications infrastructure services	6,851,358	6,700,059
Other services	<u>2,809,000</u>	<u>2,489,991</u>
	<u><u>9,660,358</u></u>	<u><u>9,190,050</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 2025, 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 a “Pioneer of Digital Intelligence Consulting”, a “Navigator of Digital Intelligence Infrastructure”, a “Leader of Digital Intelligence Maintenance and Operation” and a “Provider of Digital Intelligence Products”, and actively integrated frontier technology, enhanced comprehensive service capabilities, as well as developed new quality productive forces tailored to local conditions. As a result, the Group achieved “Effective Improvement in Quality and Reasonable Growth in Quantity”, with revenues growing steadily and efficiency indicators stabilizing and trending positively. Revenues for the year amounted to RMB150,093 million, representing an increase of 0.1% compared to 2024. Profit attributable to equity shareholders of the Company was RMB3,610 million, representing an increase of 0.1% compared to 2024. Basic earnings per share were RMB0.521. Free cash flow was RMB795 million.

Revenues

In 2025, the Group’s revenues amounted to RMB150,093 million, representing an increase of 0.1% compared to 2024. From a business perspective, revenue from telecommunications infrastructure (“TIS”) services was RMB74,391 million, representing a year-on-year decrease of 1.0%; revenue from business process outsourcing (“BPO”) services was RMB44,062 million, representing a year-on-year increase of 1.4%; and revenue from applications, content, and other (“ACO”) services was RMB31,640 million, representing a year-on-year increase of 0.9%. The decrease in TIS revenue was mainly due to the overall investment environment by our customers and 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. The Group enhanced its comprehensive integrated smart service capabilities, and strived to overcome the impact of the decline in investment from customers and the adjustment to the investment mix, thereby maintaining relatively stable revenue from TIS services. The Group further consolidated its resources and promoted professionalized operations, ensuring stable revenue growth from BPO services, which possess attributes such as strong customer loyalty and short cash conversion cycles. At the same time, the Group gave full play to the productive force of digital technologies, its advantages in integrated services and its capabilities in system integration and software development to meet customer needs for digitalization effectively, thereby driving the development of its businesses such as system integration and software development and sustaining stable growth in revenue from ACO services.

From a market perspective, revenue from the domestic telecommunications operator market was RMB80,212 million, representing a year-on-year decrease of 4.1%; revenue from the domestic non-operator market reached RMB65,613 million, representing a year-on-year increase of 5.5%; and revenue from the overseas market was RMB4,268 million, representing a year-on-year increase of 1.0%. Despite headwinds including the continuous decline in capital expenditure by domestic telecommunications operators, the Group strived to promote business expansion in areas such as the iterative upgrade of new infrastructure, computing power network construction, green infrastructure retrofit, industrial digital intelligence empowerment, as well as operation and maintenance. Leveraging its advantages in differentiated capabilities, the Group provided integrated comprehensive solutions that were “green, intelligent, integrated, and efficient” to support customers in achieving strategic upgrades as well as innovation and reforms, thereby steadily increasing its market share. In the domestic non-operator market, the Group capitalized on opportunities from AI-powered intelligent computing and data center construction, as well as urban renewal and green transformation. Leveraging its advantages in “Consultant + Staff + Housekeeper” service and “Platform + Software + Service” capabilities, it provided integrated, end-to-end services that combined cloud integration, artificial intelligence integration, security integration, and platform integration. The Group undertook a number of industry benchmark projects across various fields including digital infrastructure, intelligent construction, green and low-carbon, smart operation and maintenance, smart sports, and the low-altitude economy, thereby realizing relatively rapid revenue growth in the domestic non-operator market. In response to the complex and ever-changing global landscapes, the Group continued to optimize its operating model and expanded high-value projects along key regions of the “Belt and Road”. In regions such as Asia-Pacific, Africa, and the Middle East, the Group successfully undertook landmark projects such as national-level smart hubs and world-class photovoltaics projects, effectively enhancing the international influence of the “Made in China” and “China Services” brands, thus achieving steady revenue growth in the overseas market.

Business Revenue Mix

The following table sets forth a breakdown of the Group's revenues for 2024 and 2025, together with their respective changes:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Telecommunications Infrastructure Services			
Design services	8,939,972	9,917,391	(9.9%)
Construction services	61,014,658	60,673,388	0.6%
Project supervision and management services	<u>4,436,630</u>	<u>4,581,458</u>	(3.2%)
	<u>74,391,260</u>	<u>75,172,237</u>	(1.0%)
Business Process Outsourcing Services			
Management of infrastructure for information technology (Network Maintenance)	19,118,078	18,754,785	1.9%
General facilities management (Property Management)	8,306,956	8,122,502	2.3%
Supply chain	<u>13,731,835</u>	<u>13,559,545</u>	1.3%
Sub-total of Core BPO Services	<u>41,156,869</u>	<u>40,436,832</u>	1.8%
Products distribution	<u>2,904,552</u>	<u>3,022,186</u>	(3.9%)
	<u>44,061,421</u>	<u>43,459,018</u>	1.4%
Applications, Content and Other Services			
System integration	19,398,374	19,594,996	(1.0%)
Software development and system support	7,114,106	6,241,050	14.0%
Value added services	2,607,850	2,749,632	(5.2%)
Others	<u>2,519,598</u>	<u>2,783,170</u>	(9.5%)
	<u>31,639,928</u>	<u>31,368,848</u>	0.9%
Total	<u>150,092,609</u>	<u>150,000,103</u>	0.1%

Telecommunications Infrastructure Services

In 2025, the Group's revenue from TIS services amounted to RMB74,391 million, representing a decrease of 1.0% as compared to RMB75,172 million in 2024. TIS services was the primary source of revenues of the Group and accounted for 49.6% of revenues, representing a decrease of 0.5 percentage points from 50.1% in 2024. As to the customer structure, the Group's TIS revenue from domestic telecommunications operator customers amounted to RMB37,755 million and accounted for 50.8% of the total TIS revenues, representing a decrease of 3.9 percentage points from 2024. The aggregate TIS revenues from domestic non-operator customers and overseas customers amounted to RMB36,636 million and accounted for 49.2% of the total TIS revenues, representing an increase of 3.9 percentage points from 2024.

In 2025, the Group's TIS revenue from domestic telecommunications operator customers decreased by 8.1% compared to 2024. The Group fully supported the business demand of domestic telecommunications operator customers and continued to maintain its market leading position. As domestic telecommunications operators continue to accelerate their digital transformation, increase investments in new infrastructure (such as computing power centers) and accelerate their pace of transformation and upgrading, the Group will further integrate itself into the operators' ecosystem. By enhancing its product and service capabilities to cater to the demand for comprehensive, integrated and diversified digital service of domestic telecommunications operators, the Group will endeavor to maintain stable business development of the domestic telecommunications operators. The aggregate TIS revenues from domestic non-operator customers and overseas customers increased by 7.5% compared to 2024, in which, the TIS revenue from domestic non-operator customers recorded a year-on-year increase of 8.1%, and the TIS revenue from overseas customers recorded a year-on-year increase of 0.8%. 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, the increasing demand for energy saving and carbon reduction as well as backbone optical cable network construction, the Group will embrace new growth opportunities in the domestic non-operator market and overseas market.

Business Process Outsourcing Services

In 2025, the Group's revenue from BPO services amounted to RMB44,062 million, representing an increase of 1.4% as compared to RMB43,459 million in 2024, and accounted for 29.3% of revenues, representing an increase of 0.3 percentage points as compared to 29.0% in 2024. In terms of customer structure, the BPO revenue from domestic telecommunications operator customers amounted to RMB29,077 million, representing an increase of 1.0% over 2024, and accounting for 66.0% of the total BPO revenues, representing a decrease of 0.2 percentage points from 2024. The aggregate BPO revenues from the domestic non-operator customers and overseas customers amounted to RMB14,985 million, representing an increase of 2.1% over 2024, and accounted for 34.0% of the total BPO revenues, representing an increase of 0.2 percentage points over 2024.

In 2025, among each of the businesses under the Group's BPO services, revenue from network maintenance amounted to RMB19,118 million, representing an increase of 1.9% as compared to 2024. 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 business of RMB8,307 million, representing an increase of 2.3% as compared to 2024. Revenue from the supply chain business reached RMB13,732 million, representing an increase of 1.3% as compared to 2024. The Group focused on the upstream and downstream customers, fully 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 RMB2,905 million, representing a decrease of 3.9% as compared to 2024, which was mainly due to the Group's commitment to high-quality development and proactive control of the products distribution businesses with low operating efficiency.

Applications, Content and Other Services

In 2025, the Group's revenue from ACO services amounted to RMB31,640 million, representing an increase of 0.9% as compared to RMB31,369 million in 2024. The revenue from ACO services accounted for 21.1% of revenues, representing an increase of 0.2 percentage points from 20.9% in 2024, and this proportion has been increasing for several years. In terms of the customer mix, the Group's ACO revenue from domestic telecommunications operator customers amounted to RMB13,380 million and accounted for 42.3% of the total ACO revenues, representing a decrease of 1.5 percentage points as compared to 2024. The aggregate ACO revenues from domestic non-operator customers and overseas customers amounted to RMB18,260 million, and accounted for 57.7% of the total ACO revenues, representing an increase of 1.5 percentage points over 2024.

In 2025, the Group insisted on proprietary research and development as well as innovation, and accelerated the commercialization of research findings. As a result, revenue from software development and system support business achieved RMB7,114 million, representing a year-on-year increase of 14.0%, making it the largest contributor to the growth in overall revenues. Leveraging its integrated service advantages and capabilities in system integration and software development, the Group seized domestic opportunities in new infrastructure construction and digital transformation, etc. Leveraging its proprietary core platforms and industry-leading smart product series, the Group vigorously expanded its businesses in AI+, 5G+, data center, smart city, green and low-carbon, emergency management and security, and low-altitude economy, effectively satisfying the digital transformation needs of its customers.

Cost of Revenues

The Group's cost of revenues in 2025 amounted to RMB133,136 million, representing an increase of 0.6% from 2024 and accounting for 88.7% of revenues. The following table sets out a breakdown of the Group's cost of revenues in 2024 and 2025 and their respective changes:

	2025	2024	
	RMB'000	RMB'000	Change
Direct personnel costs	7,710,598	8,208,384	(6.1%)
Depreciation and amortisation	1,007,405	1,025,761	(1.8%)
Materials costs	26,415,523	25,579,237	3.3%
Direct costs of products distribution	2,748,968	2,815,082	(2.3%)
Subcontracting charges	81,316,294	80,405,717	1.1%
Lease charges and others	<u>13,937,187</u>	<u>14,369,701</u>	(3.0%)
Total cost of revenues	<u>133,135,975</u>	<u>132,403,882</u>	0.6%

Direct Personnel Costs

In 2025, direct personnel costs amounted to RMB7,711 million, representing a decrease of 6.1% from RMB8,208 million in 2024. Direct personnel costs accounted for 5.1% of revenues, representing a decrease of 0.4 percentage points from 2024. The Group kept a reasonable control over its total headcount, continued to optimize its employee structure, and steadily enhanced its labor productivity. The remuneration per capita increased by 2.1%, outpacing the growth of revenues and demonstrating that employees could share in the results of corporate development.

Depreciation and Amortisation

In 2025, depreciation and amortisation amounted to RMB1,007 million, representing a decrease of 1.8% from RMB1,026 million in 2024. Depreciation and amortisation cost accounted for 0.7% of revenues.

Materials Costs

In 2025, materials costs amounted to RMB26,416 million, representing an increase of 3.3% from RMB25,579 million in 2024. Materials costs accounted for 17.6% of revenues, representing an increase of 0.6 percentage points from 2024. As the Group optimized its business model and proactively undertook major projects under the general contracting model, materials costs increased accordingly. The Group will enhance procurement efficiency and step up the control of material costs by continuously strengthening the management of general contracting projects, optimizing its internal procurement system and utilizing AI digital tools to accelerate the upgrading of centralized procurement management.

Direct Costs of Products Distribution

In 2025, direct costs of products distribution amounted to RMB2,749 million, representing a decrease of 2.3% from RMB2,815 million in 2024. Direct costs of products distribution accounted for 1.8% of revenues, representing a decrease of 0.1 percentage points from 2024. The decrease of direct costs of products distribution was mainly attributable to the Group's initiative to control certain products distribution business with low operating efficiency.

Subcontracting Charges

In 2025, subcontracting charges amounted to RMB81,316 million, representing an increase of 1.1% from RMB80,406 million in 2024. Subcontracting charges accounted for 54.2% of revenues, representing an increase of 0.6 percentage points from 2024. The Group will promote the application of AI digital tools to strengthen subcontracting management, implement classified control over subcontracting costs with targeted measures, and enhance its independent delivery capabilities. The Group will also further strengthen the synergistic management of suppliers with a view to maintaining the growth of subcontracting charges at a relatively reasonable level.

Lease Charges and Others

In 2025, lease charges and others were RMB13,937 million, representing a decrease of 3.0% from RMB14,370 million in 2024. Lease charges and others accounted for 9.3% of revenues, representing a decrease of 0.3 percentage points from 2024.

Gross Profit

In 2025, the Group recorded gross profit of RMB16,957 million, representing a decrease of 3.6% from RMB17,596 million in 2024. The Group's gross profit margin in 2025 was 11.3%, representing a decrease of 0.4 percentage points from 11.7% in 2024. While catering for the scale of its development, the Group focuses more on improving quality and efficiency, guides its subsidiaries through appraisal to select and develop high-margin projects and increase the proportion of high-value businesses. The Group also optimizes its mechanisms for collaborative R&D and operational marketing as well as commercialization of R&D findings, with a view to developing industry-leading flagship products and enhancing its business value. At the same time, the Group continuously leverages AI digital means to strengthen project management and cost control. With its deepening deployment in digital economy, new infrastructure construction and industrial digitalization areas, the Group will strive to achieve a stable-to-rising gross profit margin over the medium and long term.

Selling, General and Administrative Expenses

In 2025, the selling, general and administrative expenses of the Group were RMB14,412 million, representing a decrease of 4.3% from RMB15,054 million in 2024. The selling, general and administrative expenses accounted for 9.6% of revenues, representing a decrease of 0.4 percentage points from 10.0% in 2024. Among them, the research and development expenses were RMB5,467 million, representing a decrease of 1.8% from RMB5,568 million in 2024, and accounted for 3.6% of revenues, representing a slight decrease compared to 2024. The Group maintained rigorous control over its selling, general and administrative expenses and strictly implemented various initiatives to drive quality and efficiency improvement. Meanwhile, the Group targeted its research and development resources towards capability building in AI, digital infrastructure and related fields, securing the outcomes from research and development investments.

Finance Costs

In 2025, the finance costs of the Group were RMB87 million, representing a decrease of 17.7% from RMB106 million in 2024. The majority of the Group's borrowings were in Hong Kong dollar and Renminbi, and the decrease in finance cost was mainly due to the lower interest rates of Hong Kong dollars and Renminbi borrowings in 2025, which were lower than the interest rates of US dollar borrowings. During the year, the Group replaced US dollar borrowings with Hong Kong dollars and Renminbi borrowings, which had lower financing costs.

Income Tax

In 2025, the income tax of the Group was RMB371 million and its effective tax rate was 9.0%, representing an increase of 0.3 percentage points from 8.7% in 2024. The difference between the Group's 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 2025, 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 2025, profit attributable to equity shareholders of the Company was RMB3,610 million, representing an increase of 0.1% over RMB3,607 million in 2024. Profit attributable to equity shareholders of the Company accounted for 2.4% of revenues, remaining largely unchanged from 2024. Basic earnings per share of the Company were RMB0.521 (2024: RMB0.521).

Capital Expenditure

The Group implements stringent budget management over capital expenditure and makes adjustment according to changes in market condition. In 2025, capital expenditure of the Group amounted to RMB742 million, representing a decrease of 31.5% from RMB1,082 million in 2024. The capital expenditure in 2025 accounted for 0.5% of revenues, representing a decrease of 0.2 percentage points from 2024. The Group's capital expenditure mainly included the purchase of production equipment and tools, instrumentation, intangible assets and other operating assets. The decrease in capital expenditure was primarily due to the Group's strengthened management over investment scale and investment efficiency, strictly controlling investments not for operations and production.

Cash Flow

In 2025, the Group recorded a net cash outflow of RMB5,297 million, representing an increase of RMB2,011 million from a net cash outflow of RMB3,286 million in 2024. As at the end of 2025, the balance of cash and cash equivalents of the Group amounted to RMB14,341 million, of which 95.6% was denominated in Renminbi.

The following table sets out our cash flow positions in 2024 and 2025, respectively:

	2025	2024
	RMB'000	RMB'000
Net cash generated from operating activities	937,716	6,220,990
Net cash used in investing activities	(4,121,366)	(7,165,349)
Net cash used in financing activities	<u>(2,113,776)</u>	<u>(2,341,786)</u>
Net decrease in cash and cash equivalents	<u>(5,297,426)</u>	<u>(3,286,145)</u>

In 2025, net cash generated from operating activities of the Group was RMB938 million, representing a decrease of RMB5,283 million from RMB6,221 million in 2024. While actively implementing measures in accounts receivable management to boost collections effectively, the Group proactively optimized its settlement methods along its supply chain and built a healthy industry ecosystem. As a result, the pace of external payments and settlements accelerated, leading to a decrease in cash generated from operating activities. Moving forward, the Group will continue to strengthen the clearing and settling of accounts receivable, while enhancing the management of accounts payable, in order to achieve a healthy cash cycle.

In 2025, net cash used in investing activities of the Group was RMB4,121 million, representing a decrease of RMB3,044 million from RMB7,165 million in 2024. The decrease was mainly due to the Group's overall fund coordination and management, and reduced allocation in investment for fund management during the year.

In 2025, net cash used in financing activities of the Group was RMB2,114 million, representing a decrease of RMB228 million from RMB2,342 million in 2024.

Working Capital

As at the end of 2025, the Group's working capital (i.e. current assets net of current liabilities) was RMB16,203 million, representing a decrease of RMB515 million from RMB16,718 million as at the end of 2024. 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 2025, the Group's total assets was RMB136,682 million, representing an increase of RMB64 million from RMB136,618 million as at the end of 2024. Total liabilities was RMB87,594 million, representing a decrease of RMB2,410 million from RMB90,004 million as at the end of 2024. The liabilities-to-assets ratio was 64.1%, representing a decrease of 1.8 percentage points from 65.9% as at the end of 2024.

Indebtedness

As at the end of 2025, total indebtedness of the Group was RMB699 million, representing a decrease of RMB7 million from RMB706 million as at the end of 2024. Indebtedness of the Group was mainly denominated in Hong Kong dollar, of which Renminbi loan accounted for 14.0%, and Hong Kong dollar loan accounted for 81.5%; and of which 4.6% was the loans with a fixed interest rate and 95.4% was those with a floating interest rate.

As at the end of 2025, our gearing ratio¹¹ was 1.4%, representing a decrease of 0.1 percentage points from the end of 2024.

Contractual Obligations

The following table sets out our contractual commitments as at 31 December 2025:

	Total	2026	2027	2028	2029	2030 and after
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Short-term debt	699,358	699,358	—	—	—	—
Lease commitments	130,476	63,738	45,699	13,398	3,857	3,784
Contracted for but not provided capital commitments	<u>12,906</u>	<u>12,906</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total of contractual obligations	<u>842,740</u>	<u>776,002</u>	<u>45,699</u>	<u>13,398</u>	<u>3,857</u>	<u>3,784</u>

¹¹ 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.

Exchange Rate

Most of the Group's revenues and expenses are denominated in Renminbi. As at the end of 2025, the balance of the Group's cash and cash equivalents in foreign currencies accounted for 4.4% of the balance of its total cash and cash equivalents, among which, 2.0% and 0.6% of the balance of its total cash and cash equivalents were denominated in US dollar and Hong Kong dollar, respectively.

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

For the year ended 31 December 2025, 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 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a joint stock limited company incorporated in Chinese Mainland 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 2025.

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 of the Company. The Company has made specific enquiries to the directors, each of the directors 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

For the purpose of determining the H share shareholders' entitlement to attend the Annual General Meeting to be held on Thursday, 28 May 2026, the H share register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (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 Thursday, 21 May 2026. H share shareholders of the Company who are registered on the register of members held by Computershare Hong Kong Investor Services Limited on Thursday, 28 May 2026 are entitled to attend the Annual General Meeting.

2. Proposed Final Dividend

The Board proposes a final dividend of RMB0.2241 per share (pre-tax) for the year ended 31 December 2025. 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 Friday, 12 June 2026. The register of members will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026 (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, 8 June 2026.

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 Thursday, 23 July 2026 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 Friday, 12 June 2026 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 Chinese Mainland, 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 2025 will be dispatched to shareholders and made available on the HKExnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (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
31 March 2026

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. Cheng Jianjun, Mr. Tang Yongbo, Mr. Liu Aihua and Mr. Chen Li, and our independent non-executive directors are Mr. Lv Tingjie, Mr. Wang Qi, Mr. Wang Chungge and Ms. Chiu Mun Wai.