To the Shareholders of
China Communications Services Corporation Limited
(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of China Communications Services Corporation Limited (the "company") and its subsidiaries (the "group") set out on pages 187 to 266, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Revenue recognition of construction services

Refer to Note 4 to the consolidated financial statements and the accounting policies in Note 2(q).

The Key Audit Matter	How the matter was addressed in our audit
The group's revenue derived from construction services amounted to RMB60,673 million in 2024, which accounted for 40.4% of the group's total revenue during the year. Such revenue is provided to a large number of customers in different industries. The group generally recognises revenue over a period of time according to the progress towards completion agreed with the customers based on the output method. We identified the revenue recognition of construction services as a key audit matter because of its significance to the consolidated financial statements.	Our audit procedures in relation to revenue recognition of construction services included the following: • assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition of construction services; • inspecting construction service contracts with customers, on a sample basis, to understand the major terms agreed with respective customers to assess the appropriateness of the group's revenue recognition policies with reference to the requirements of the prevailing accounting standard; • comparing, on a sample basis, revenue recorded during the financial reporting period with certificates of the progress towards completion, project settlement statements or other relevant underlying documents which contained evidence of progress towards completion agreed with the customers, and assessing if the related revenue was properly recognised based on the progress towards completion; and • assessing, on a sample basis, whether specific revenue transactions recorded before and after the end of reporting date had been recognised in the appropriate financial period by inspecting certificates of the progress towards completion, project settlement statements and other relevant underlying documents which contained evidence of progress towards completion agreed with the customers.

Key Audit Matters (continued)

Expected credit losses of accounts receivables and contract assets

Refer to Note 28, 29, 44(a) and 45 to the consolidated financial statements and the accounting policies in Note 2(l).

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2024 the gross carrying amounts of accounts receivables and contract assets amounted to RMB26,510 million and RMB38,294 million, respectively, with loss allowances for expected credit losses ("ECL") amounted to RMB2,624 million and RMB526 million, respectively. Management measures the ECL allowances at an amount equal to lifetime ECLs of accounts receivables and contract assets. Management assesses the ECL of accounts receivables and contract assets individually for debtors with significant risks. The ECLs for the remaining accounts receivable and contract assets are assessed collectively using a provision matrix. When measuring ECL, management considers credit losses incurred in the past and adjusts it by taking into consideration of the present conditions and forward-looking information. In assessing forward-looking information, management considers factors including economic policies, macroeconomic indicators, industry risks and changes in customers' conditions. Such assessment involves a significant degree of management judgement.	Our audit procedures to assess the ECL allowances of accounts receivables and contract assets included the following: • assessing the design and implementation of key internal control relating to management assessment of ECL of accounts receivables and contract assets; • evaluating the group's accounting policies and methods for estimating the ECL allowances with reference to the requirements of the applicable accounting standard; • assessing the appropriateness of management's estimation of loss allowances for ECL of accounts receivables and contract assets of individual debtors with significant risks by inspecting, on a sample basis, documents for supporting management's assessment of the respective financial position and creditworthiness of the customers, historical payment and settlement records, and forecasted future economic conditions; • obtaining an understanding of the key data and assumptions of the ECL model adopted by management on debtors assessed collectively, including the basis of segmentation of accounts receivables based on credit risk characteristics, historical default data used in management's estimation of loss rate and forward-looking information;

Key Audit Matters (continued)

Expected credit losses of accounts receivables and contract assets (continued)

Refer to Note 28, 29, 44(a) and 45 to the consolidated financial statements and the accounting policies in Note 2(l).

The Key Audit Matter	How the matter was addressed in our audit
We identified the assessment for the ECL allowance of accounts receivables and contract assets as a key audit matter because the balances of accounts receivables and contract assets are material to the group's consolidated financial statements and determining the level of the loss allowance for ECL requires the exercise of management judgement.	• assessing the appropriateness of management's estimation of ECL allowances of accounts receivables and contract assets on debtors assessed collectively by examining the information used by management to derive such estimates, including testing the accuracy of the historical default data and evaluating whether historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; • assessing, with the assistance of our internal valuation specialists, the basis adopted by management in determining the adjustment for forward-looking information; • assessing, on a sample basis, whether items in the accounts receivables and contract assets ageing report were categorised in the appropriate ageing bands; and • re-performing the calculation of the ECL allowances as at 31 December 2024, on a sample basis, based on the group's loss allowance policies.

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai.

KPMG
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27 March 2025