

CHAIRMAN'S STATEMENT

In 2025, the Group elevated the connotation of its strategic positioning as a “New Generation Integrated Smart Service Provider”, actively integrated frontier technologies such as artificial intelligence, focused on developing new business tracks, continuously modernized its corporate governance system and capabilities, and completed the objectives of the 14th Five-Year Plan period, laying a solid foundation for future high-quality development.

Luan Xiaowei
*Executive Director
and Chairman*



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 revenue¹ 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 profit² 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%.

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.

¹ Service revenue = revenues – revenue from products distribution – revenue from IT equipment supplies in system integration

² Net profit refers to profit attributable to the equity shareholders of the Company.

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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”³ service and “Platform + Software + Service”⁴ 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%.

³ “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.

⁴ “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.

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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 AQNIU⁵.

⁵ “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 Competition⁶. In addition, the Group secured its first-ever project from the National Natural Science Foundation of China, demonstrating its overall technological innovation strengths.

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”⁷.

⁶ 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.

⁷ 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.

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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”⁸, 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.

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.

⁸ CT (Communications Technology), IT (Information Technology), DT (Data Technology), OT (Operational Technology), AT (Artificial Intelligence Technology), QT (Quantum Technology)

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 Competition⁹.

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.

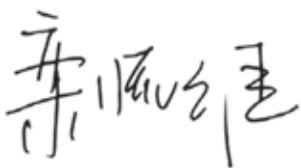
⁹ The “New Green Cup” Information and Communications Industry Empowerment Carbon Peak and Carbon Neutrality Innovation Competition, jointly organized by the Internet Society of China, China Association of Communication Enterprises, and the China Academy of Information and Communications Technology, aims 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.

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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