CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2026, the new round of technological and industrial revolutions saw accelerated breakthroughs, with innovation in artificial intelligence (AI) technology entering an unprecedentedly active phase. This has profoundly empowered the transformation and upgrading of industries across all sectors, accelerating the formation of a new model of intelligent economy. The Group has anticipated and adapted to changes proactively, continued to deepen the connotation of its strategic positioning as a "New Generation Integrated Smart Service Provider", leveraging 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" (collectively referred to as the "4 Roles"). The Group has also mapped out new tracks for the "Six Major Growth Areas+", vigorously advanced the "AI+" initiative, comprehensively facilitated the internal application and external empowerment of artificial intelligence, and accelerated the cultivation and strengthening of new growth drivers, thereby ensuring its steady and sustainable high-quality development.

I. OPERATING RESULTS FOR THE FIRST HALF OF THE YEAR

Adhering to its overall roadmap of "Value-Driven, Seeking Steady Yet Progressive Growth and High-Quality Development", the Group accelerated the transformation and upgrading of its business while steadfastly advancing cost reduction and efficiency improvements, with revenues remaining generally stable. In the first half of the year, the Group's revenues amounted to RMB74,480 million, representing a year-on-year decrease of 3.2%. Among this, revenue from **telecommunications infrastructure ("TIS") services** amounted to RMB36,602 million; revenue from **business process outsourcing ("BPO") services** amounted to RMB22,104 million; and revenue from **applications, content and other ("ACO") services** amounted to RMB15,774 million. Gross profit amounted to RMB7,432 million, representing a year-on-year decrease of 5.8%. Gross profit margin was 10.0%, with the rate of decline slowing down[1] (a year-on-year decrease of 0.3 percentage points). The Group fully leveraged its strengths in artificial intelligence technology, continued to strengthen synergistic operation, and comprehensively enhanced the level of refined management. Selling, general and administrative expenses amounted to RMB5,706 million, representing a year-on-year decrease of 7.7%. Operating profit[2] was RMB1,726 million, representing a year-on-year increase of 1.2%. Net profit[3] amounted to RMB1,970 million, representing a year-on-year decrease of 7.5%; on a comparable basis[4], net profit saw a year-on-year decrease of 3.2%. Net profit margin on a comparable basis remained stable. Basic earnings per share were RMB0.284. To further enhance the stability, sustainability, and predictability of cash dividends, and to demonstrate confidence in its future development, the Company has formulated a shareholder dividend return plan for the next three years. Provided profit distribution conditions are met, operating performance remains steady and cash flow can ensure normal operations and development, the Group will steadily increase the dividend payout ratio from 2026 to 2028, and such ratio is expected to be no less than 46%[5] for the fiscal year ending 31 December 2028.

1 Gross profit margin for the first half of 2025 was 10.3%, representing a year-on-year decline of 0.6 percentage points compared with the same period of 2024.
2 Operating profit = Gross profit – Selling, general and administrative expenses
3 Net profit refers to profit attributable to the equity shareholders of the Company.
4 Figures on a comparable basis exclude the impact of dividend income as a non-comparable factor.
5 The dividend payout ratio in 2025 was 43%.

In the first half of the year, the Group navigated a complex external environment as well as various pressures and challenges, actively capitalized on the window of opportunity presented by the transition from old to new growth drivers in the industry, and focused on deepening its presence in high-value businesses, thereby achieving stable operations as a whole. In the **domestic telecommunications operator market**, the Group seized customers' demand for the accelerated construction of new digital information infrastructure. Leveraging its end-to-end expertise in "Planning, Construction, Maintenance and Operation", the Group strengthened cooperation in the fields of AIDC construction and AI applications, effectively mitigating the impact of reduced customer investment in traditional areas. Revenue from this market stabilized and rebounded, reaching RMB38,922 million, representing a year-on-year increase of 1.9%. In the **domestic non-telecom operator ("domestic non-operator") market**, the Group focused on key industries of significant strategic importance, high economic value and close relevance to people's livelihoods. The Group accelerated the business development of new growth drivers such as CCS Smart Maintenance, low-altitude economy and power distribution network, concentrated resources on expanding high-value projects, and proactively controlled projects of low efficiency. Revenue from this market amounted to RMB33,248 million, representing a year-on-year decrease of 9.1%. In the **overseas market**, the Group navigated a complex and ever-changing international landscape by actively and prudently advancing its overseas development. The Group deepened its presence in emerging "Belt and Road" markets such as Southeast Asia and the Middle East, consolidated its fundamental communications business, accelerated business transformation and upgrading, and successfully secured overseas AIDC benchmark projects. Revenue from the overseas market amounted to RMB2,310 million, representing a year-on-year increase of 7.4%, achieving relatively rapid growth.

II. MAPPING OUT NEW TRACKS FOR THE "SIX MAJOR GROWTH AREAS+" TO CULTIVATE NEW GROWTH DRIVERS FOR HIGH-QUALITY DEVELOPMENT

Based on its industry and market insights, the Group has kept pace with external environment changes and evolving customer demand. Leveraging its inherent resource advantages and the strategic positioning of "1 Positioning, 4 Roles", the Group has identified key growth areas for the 15th Five-Year Plan period and continued to deepen its transformation and development. The Group has deeply tapped into the huge market potential of AI+, and in the first half of the year, revenue from the field of AI+ (AIDC, AI applications) grew by 62% year-on-year, accounting for 10% of revenues. Meanwhile, the Group has deployed in other new tracks such as CCS Smart Maintenance, computing-electricity coordination (dual carbon, power distribution network), and low-altitude economy, to accelerate the implementation of new businesses and fully unleash growth momentum. In the first half of the year, the value of new contracts signed in the "Six Major Growth Areas+" segment saw a year-on-year increase of 11%, accounting for approximately 34% of the total value of new contracts signed, and has become the core driver for the high-quality development of the enterprise.

1. The Field of AIDC

The Group has strengthened its integrated service capabilities in "Planning, Construction, Maintenance and Operation". Focusing on the full lifecycle of AIDC, the Group has integrated its strengths in IDC general contracting, green and energy conservation, and high-speed networking to achieve rapid construction and large-scale delivery. This has effectively supported the deployment of national-level intelligent computing hubs and the construction of a nationwide integrated computing power network, with its customer base comprehensively covering the eight national computing hubs. By establishing a full-stack service model featuring "EPCO[6] general contracting + green liquid cooling + intelligent computing power maintenance + computing-electricity coordination", the Group has innovatively front-loaded the operation & maintenance (O) system into the entire process of design, procurement and construction. This approach has provided customers with green, secure and efficient comprehensive digital infrastructure construction and service support, earning industry recognition and winning multiple awards at the 17th China Data Center Summit[7]. In the first half of the year, the value of new contracts signed in this field saw a year-on-year increase of 33%.

2. The Field of AI Applications

As new generation artificial intelligence technologies rapidly evolve, they are driving the restructuring of the entire industry chain from energy to applications. The Group has continuously enhanced its digital and intelligent service capabilities and developed standardized products focusing on vertical industry scenarios where it holds a competitive edge, such as emergency management, sports, low-carbon and energy conservation, and grain storage. Leveraging its nationwide localized delivery network, the Group has established a differentiated competitive edge in industry digitalization and engineering implementation, building a cross-industry, multi-tiered and widely-covered customer ecosystem to translate the immense market potential of AI into tangible productive capacity. In the first half of the year, the value of new contracts signed in this field saw a robust year-on-year increase of 109%.

3. The Field of CCS Smart Maintenance

Focusing on key business scenarios, the Group has established mature solutions for typical scenarios, and built a standardized and replicable capability framework to continuously enhance customer loyalty. Targeting the six major technology domains of "CT, IT, DT, OT, AT, and QT"[8], the Group has established benchmark cases in data center operation & maintenance, power distribution operation & maintenance, new energy photovoltaic operation & maintenance, smart transportation operation & maintenance, smart city big data platform and operation services, and building energy conservation operations. By strengthening enablement and promotion across key industries, the Group has successfully secured multiple projects with a contract value exceeding RMB100 million each, effectively boosting the brand power of "CCS Smart Maintenance". In the first half of the year, the value of new contracts signed in this field saw a year-on-year increase of 13%.

6 EPCO stands for the Engineering (E), Procurement (P), Construction (C) and Operation & maintenance (O) integrated service model, which front-loads operation & maintenance as a crucial mechanism spanning the entire project lifecycle.

7 The 17th China Data Center Summit was hosted by the CCUA Data Center Association. Thanks to its outstanding expertise and service capabilities in the data center sector, the Group was honored with multiple awards, including "Top 30 Data Center Engineering Enterprises 2025" and "Top 15 Data Center Operation & Maintenance Enterprises 2025".

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

4. The Field of Dual Carbon

The Group has leveraged its technical capabilities in integrated source-grid-load-storage, AI energy saving and full lifecycle carbon asset management, deepened its presence in three core scenarios, including computing-electricity coordination, the construction and operation & maintenance of new energy projects, and AI-powered energy and carbon management services, to consolidate its new energy business in wind, photovoltaic, storage and charging projects, seize opportunities in the energy and carbon management market for public institutions, deploy innovative tracks such as zero-carbon industrial parks and virtual power plants. The Group has also developed a series of core products such as the source-grid-load-storage integrated management platform and the AI-powered energy and carbon management platform. These efforts have generated robust economic benefits while delivering substantial ecological and social benefits, thereby injecting strong momentum into the comprehensive green transition of economic and social development.

5. The Field of Power Distribution Network

The Group has actively participated in the construction of the national new-type power system, focusing on key business scenarios such as high-voltage power distribution networks of 110kV and above, urban-rural distribution networks, microgrids, and direct green power connections. The Group has built end-to-end general contracting service capabilities for computing-electricity coordination, strengthened market enablement and resource integration for computing power parks and new energy investors, and collaborated closely with its AIDC business and dual carbon business for market development. The Group has delivered EPC general contracting project with a contract value exceeding RMB100 million, developed replicable project implementation models, and provided solid support for regional grid upgrades and coordinated development of computing and electricity.

6. The Field of Low-Altitude Economy

The Group has deeply cultivated key industry customers such as transportation, government and emergency management sectors, fully leveraging its consulting-led approach to drive an integrated business model combining "consulting & design + equipment procurement + implementation & delivery". The Group has iterated and optimized self-developed products such as the drone detection platform and the "Lingkong" low-altitude emergency response practical application platform to meet customers' business needs in low-altitude supervision, low-altitude security, "one-platform unified flight management", emergency rescue, training and capacity enablement, and drone pilot services. In the first half of the year, the growth rate of value of new contracts signed in this field reached 66%.

III. EMPOWERING REFORM AND INNOVATION WITH ARTIFICIAL INTELLIGENCE TO COMPREHENSIVELY BOOST CORPORATE CORE COMPETITIVENESS

Keeping pace with the development trends in artificial intelligence, the Group is committed to leveraging technological innovation as a key lever to comprehensively and deeply advance its "AI+" initiative. By focusing on its core businesses, strengthening its core capabilities and building a strong team, the Group is laying a new digital and intelligent foundation for the enterprise.

1. Strengthening Technological Innovation Capabilities to Integrate into the AI+ Ecosystem

The Group has placed technological innovation as its core, focusing on the digital and intelligent needs in the field of the "Six Major Growth Areas+", and facilitating the integration and synergistic management of R&D resources. The Group has initially established a three-tiered scientific research and innovation framework featuring "national-level key initiatives + core technology breakthroughs + localized innovation". Through continuous refinement of its promotion and commercialization mechanism for R&D outcomes, the benefits of technological innovation have become increasingly evident. In the first half of the year, the value of new contracts signed for the Group's "Smart Series" core technological innovation products saw a year-on-year increase of 37%. The Group undertook three national-level and over ten provincial-level scientific research projects, and several of its independently developed AI+ products were showcased at the 28th China Beijing International High-Tech Expo[9], with its technological innovation capabilities recognized at both national and industry levels.

2. Deepening Internal Digital and Intelligent Reform to Enhance the Effectiveness of AI+ Governance

The Group has accelerated its digital and intelligent transformation by deeply integrating artificial intelligence technology into every aspect of production and operations, thereby providing digital momentum for the modernization of its corporate governance system and capabilities. The Group has built a unified digital employee platform and explored the AI-driven redesign of management and business processes to enhance corporate governance effectiveness and drive intelligent upgrades. Focusing on high-frequency, high-pain-point and high-value scenarios in production and operations, the Group has advanced the promotion and implementation of its "Wise Series" applications. In the first half of the year, the "Wise Operation" system was fully launched, bringing all ongoing construction and integration projects under comprehensive management. By leveraging AI to ensure personnel compliance, enable early risk warning and measure value creation, the system has effectively driven reforms in the delivery system and strengthened corporate core competitiveness.

3. Optimizing the Talent System to Strengthen the Foundation for AI+ Development

By deeply implementing its "Strengthening the Enterprise through Talent" initiative, the Group has continuously enhanced employees' core competencies and built a high-caliber workforce to support the implementation of the "1 Positioning, 4 Roles" strategy. The Group has stepped up efforts to recruit leading technology talent, implemented end-to-end talent management for expert, and established a series of groundbreaking incentive and support mechanisms to continuously strengthen its ability to attract and retain talent. Furthermore, the Group has built a modern and elite delivery team that is technically proficient, skilled in management and adept at business operations, while cultivating versatile project managers capable of coordinating end-to-end delivery to drive the transformation and upgrading of the delivery team. By systematically strengthening talent transformation and enablement, establishing a tiered AI talent pipeline, and focusing efforts on upgrading its AI practical training base, the Group has fostered a positive culture where all employees learn and apply AI, thereby fully unleashing their innovative potential and laying a solid talent foundation for high-quality corporate development.

[9] The 28th China Beijing International High-Tech Expo was hosted by the Beijing Municipal People's Government. Two AI+ products independently developed by the Group were showcased at the event.

IV. ACTIVELY FULFILLING ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND MAINTAINING SOUND CORPORATE GOVERNANCE

Guided by its corporate mission of "Building a Smart Society, Boosting the Digital Economy, Serving a Good Life", the Group is deeply committed to advancing green and low-carbon operations, actively fulfilling its social responsibilities, and upholding high standards of corporate governance to foster comprehensive economic, social and environmental development. The Group has been a constituent of the "Hang Seng Corporate Sustainability Benchmark Index" for several consecutive years.

Upholding its "Dual Carbon" commitment, the Group has effectively advanced the implementation of its green and low-carbon development plans and related action programs, strengthened the management of climate risks and energy consumption, and integrated the concept of green development into every aspect of its production and operations. Furthermore, the Group has enhanced its green products and services offerings, and accelerated the deep integration of green technological innovation and industrial innovation. By undertaking demonstration projects such as green data centers and zero-carbon buildings, and developing comprehensive energy and carbon management solutions for diverse industry scenarios, the Group has accelerated the formation of green production and lifestyles.

The Group has attached great importance to giving back to society and actively taken part in support for major events and emergency rescue as well as disaster relief efforts. The Group successfully completed the communications support mission for the launch of the Shenzhou-23 crewed spacecraft, and provided end-to-end information technology support for major national events such as the 6th Asian Beach Games and the 2026 World AI Conference & High-Level Meeting on Global AI Governance. In response to major disasters—including torrential rains, floods, severe thunderstorms and strong winds in areas such as Guangxi, Hubei, Jiangxi, Guizhou, Xinjiang and Liaoning, as well as the 6.3-magnitude earthquake in Haixi Prefecture, Qinghai Province—the Group promptly deployed personnel to affected areas and worked around the clock to restore the "communications lifeline", safeguarding people's lives and property.

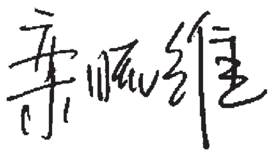
The Group has continuously optimized corporate governance, strengthened penetrative risk management and control, facilitated sound and compliant operations, and continuously improved the quality and transparency of information disclosure to fully showcase its investment value. Its strong corporate governance performance has earned multiple accolades from the capital markets. The Group ranked 1,554th on the "2026 Forbes Global 2000" list. In the "2026 Asia (ex-Japan/ANZ) Executive Team" rankings organized by *Extel* (formerly *Institutional Investor*), the Group was voted as the "Most Honored Company", "Best CEO", "Best CFO", "Best IR Program", "Best ESG" and "Best Company Board". At the "16th Asian Excellence Award" organized by *Corporate Governance Asia*, the Group was honored with the "Sustainable Asia Award", "Asia's Best CEO", "Asia's Best CFO" and "Best Investor Relations Company". In the "Asia's Best Companies 2026" organized by *FinanceAsia*, the Group received the "Best Mid-Cap Company in China" – Silver Award.

V. OUTLOOK

At present, artificial intelligence serves as a new engine for economic growth and a catalyst for the transition from old to new growth drivers. Digital and intelligent technologies are deeply integrated into all areas of economic and social development, and the scale of core industries in the intelligent economy has already exceeded RMB1 trillion, marking a period of strategic opportunity for the industry. During the 15th Five-Year Plan period, China is steadily advancing the planning and construction of the "Six Networks"[10] and facilitating high-quality urban renewal, thereby providing a vast market for businesses in the "Six Major Growth Areas+". Meanwhile, the growing impact of external changes, mounting pressure from industry transformation and escalating market competition are posing headwinds for corporate development.

2026 marks the 20th anniversary of the Group's listing and the inaugural year of the 15th Five-Year Plan period. Seizing opportunities and rising to challenges, the Group will continue to deepen the new connotation of its "1 Positioning, 4 Roles" strategy, focus on the new tracks in the "Six Major Growth Areas+", and cultivate and strengthen new quality productive forces. To this end, the Group will bolster its AIDC integrated general contracting delivery capabilities, enhance its comprehensive data element service capabilities, deeply refine AI product development and application promotion, and accelerate the build-out of full-stack AI service capabilities, thereby empowering customers to achieve an integrated intelligent, green and secure transformation and upgrading. Furthermore, the Group will comprehensively deepen reforms, elevate its corporate governance capabilities, establish new relations of production tailored to new quality productive forces, strengthen leading enterprises in design, construction and other sectors, while advancing specialized and synergistic operations across its supply chain and property management segments. Leveraging the "Five Major Projects"—transformation and development, reform and renewal, technological innovation, strengthening the enterprise through talent, and safety enhancement—the Group will drive its continued progress toward new opportunities, excellence and sound performance.

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-standing care and support for the Group's development, as well as to our employees for their hard work and dedication. I would also like to extend my heartfelt appreciation to Mr. Tang Yongbo, the former Non-executive Director, for his outstanding contributions to the Group's development during his tenure. At the same time, I warmly welcome Mr. Miao Shouye to join the Board of Directors.



Luan Xiaowei
Executive Director and Chairman

Beijing, PRC
26 August 2026

10 The "Six Networks" refer to water networks, new-type power grids, computing power networks, next-generation communications networks, urban underground pipeline networks, and logistics networks.