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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

- Facing a complex external environment as well as various pressures and challenges, the Group has made forward-looking plans, anticipated and adapted to changes proactively, maintaining a solid foundation.
  - Revenues were RMB74,480 million, down by 3.2% year-on-year.
  - Net profit was RMB1,970 million, down by 7.5% year-on-year (down by 3.2% on a comparable basis).
  - Gross profit margin was 10.0%, and the year-on-year decline moderated.
  - Net profit margin (on a comparable basis) remained largely stable over the same period of last year.
- 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.
- The Group has mapped out new tracks for the "Six Major Growth Areas+", including AIDC, AI applications, CCS Smart Maintenance, dual carbon, power distribution network and low-altitude economy. The value of new contracts signed in the "Six Major Growth Areas+" 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.
- 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. The Group will steadily increase the dividend payout ratio from 2026 to 2028, and such ratio is expected to be no less than 46% for the fiscal year ending 31 December 2028.

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%.

[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".

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%.

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.

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

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.

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.

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.

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.

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.

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

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 six months ended 30 June 2026 extracted from the unaudited financial information of the Group as set out in its 2026 Interim Report.

Consolidated statement of profit or loss
for the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenues	*4*	**74,480,006**	76,939,251
Cost of revenues	*5*	**(67,047,943)**	(69,051,641)
Gross profit		**7,432,063**	7,887,610
Other income	*6*	**652,278**	839,173
Selling, general and administrative expenses		**(5,706,184)**	(6,181,999)
Other expenses		**(74,928)**	(104,888)
Finance costs	*7*	**(41,366)**	(43,911)
Share of profits of associates and joint ventures		**44,712**	44,741
Profit before tax	*8*	**2,306,575**	2,440,726
Income tax	*9*	**(266,173)**	(234,123)
Profit for the period		**2,040,402**	2,206,603
Attributable to:			
Equity shareholders of the Company		**1,969,890**	2,128,715
Non-controlling interests		**70,512**	77,888
		2,040,402	2,206,603
Basic/diluted earnings per share (RMB)	*10*	**0.284**	0.307

Consolidated statement of profit or loss and other comprehensive income

for the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Profit for the period		**2,040,402**	2,206,603
Other comprehensive income for the period (after tax)	*11*		
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		**(374,782)**	394,782
Item that may be subsequently reclassified to profit or loss (after tax):			
Exchange differences on translation of financial statements of subsidiaries outside Chinese Mainland		**(30,793)**	16,089
		(405,575)	410,871
Total comprehensive income for the period		**1,634,827**	2,617,474
Attributable to:			
Equity shareholders of the Company		**1,564,619**	2,539,573
Non-controlling interests		**70,208**	77,901
		1,634,827	2,617,474

Consolidated statement of financial position

At 30 June 2026

	Notes	**30 June 2026** *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment, net		**5,643,126**	5,952,308
Right-of-use assets		**1,743,497**	1,877,917
Investment properties		**1,772,395**	1,699,929
Construction in progress		**678,506**	776,983
Goodwill		**103,005**	103,005
Intangible assets		**706,051**	769,774
Interests in associates and joint ventures		**1,386,749**	1,318,293
Financial assets at fair value through profit or loss		**432,972**	435,105
Equity instruments at fair value through other comprehensive income		**4,297,042**	4,795,324
Deferred tax assets		**1,032,721**	999,062
Deposits at financial institutions with original maturity more than one year		**10,395,533**	15,435,885
Other non-current assets		**775,251**	714,330
Total non-current assets		**28,966,848**	34,877,915
Current assets			
Inventories		**2,022,427**	1,181,544
Accounts and bills receivables, net	*13*	**25,424,704**	22,428,627
Contract assets, net	*14*	**47,232,831**	41,078,390
Current portion of deposits at financial institutions with original maturity more than one year		**5,067,422**	1,126,583
Prepayments and other current assets		**20,554,524**	18,795,796
Short-term bank deposits and restricted cash		**2,410,434**	2,851,711
Cash and cash equivalents		**7,534,901**	14,341,265
Total current assets		**110,247,243**	101,803,916
Total assets		**139,214,091**	136,681,831
Current liabilities			
Interest-bearing borrowings		**686,116**	699,358
Accounts and bills payables	*15*	**66,650,542**	63,142,294
Current portion of lease liabilities		**470,418**	505,329
Contract liabilities	*16*	**6,785,878**	9,660,358
Accrued expenses and other payables		**13,263,747**	11,348,007
Income tax payable		**213,808**	245,678
Total current liabilities		**88,070,509**	85,601,024
Net current assets		**22,176,734**	16,202,892
Total assets less current liabilities		**51,143,582**	51,080,807

Consolidated statement of financial position (continued)

At 30 June 2026

	Note	**30 June 2026** *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Non-current liabilities			
Lease liabilities		**688,759**	756,726
Other non-current liabilities		**424,113**	212,512
Deferred tax liabilities		**899,771**	1,023,602
Total non-current liabilities		**2,012,643**	1,992,840
Total liabilities		**90,083,152**	87,593,864
Equity			
Share capital		**6,926,018**	6,926,018
Reserves		**40,925,180**	40,912,682
Equity attributable to equity shareholders of the Company		**47,851,198**	47,838,700
Non-controlling interests		**1,279,741**	1,249,267
Total equity		**49,130,939**	49,087,967
Total liabilities and equity		**139,214,091**	136,681,831

Notes:

1. BASIS OF PREPARATION

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and International Accounting Standards 34, *Interim Financial Reporting*.

2. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards, for the first time:

Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments.

The Group has applied the amendments retrospectively. As permitted by transition requirements, the Group has not restated prior periods. The application of the exception does not have a material impact on the Group's consolidated financial statements for the periods presented.

The amendments would also affect the disclosures to be included in the Group's annual financial statements for the year ending 31 December 2026 in respect of investments in equity instruments designated at fair value through other comprehensive income and financial instruments not measured at fair value through profit or loss with specified contingent features. No additional disclosure has been included in this interim financial report.

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:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from telecommunications infrastructure services	**36,601,738**	38,272,609
Revenue from business process outsourcing services	**22,104,178**	22,382,937
Revenue from applications, content and other services	**15,774,090**	16,283,705
	74,480,006	76,939,251

The Group's major customers are telecommunications operators which include China Telecommunications Corporation and its subsidiaries (excluding the Group) ("CTC Group") and China Mobile Communications Group Co., Ltd. and its subsidiaries ("CM Group"). Revenues from the provision of integrated telecommunications support services to CTC Group and CM Group for the six months ended 30 June 2026 amounted to RMB26,750 million and RMB6,694 million, respectively (six months ended 30 June 2025 amounted to RMB25,826 million and RMB6,367 million, respectively), being 35.9% and 9.0% of the Group's total revenues, respectively (six months ended 30 June 2025: 33.6% and 8.3%, respectively). The revenues derived from areas outside Mainland China for the six months ended 30 June 2026 amounted to RMB2,310 million (six months ended 30 June 2025: RMB2,151 million).

5. COST OF REVENUES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Subcontracting charges	**41,178,035**	42,932,050
Materials costs	**14,497,398**	13,341,575
Direct personnel costs	**3,286,934**	3,707,393
Direct costs of products distribution	**761,769**	1,560,609
Expense relating to short-term leases and leases of low-value assets	**500,116**	609,940
Depreciation and amortisation	**467,230**	498,208
Others	**6,356,461**	6,401,866
	67,047,943	69,051,641

6. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income	**161,449**	270,299
Dividend income from equity instruments at fair value through other comprehensive income	**113,521**	211,712
Management fee income	**160,471**	166,948
Government grants	**70,850**	93,034
Write-back of non-payable liabilities	**22,907**	27,869
Gain on disposal of property, plant and equipment, intangible assets and right-of-use assets	**28,450**	9,840
Others	**94,630**	59,471
	652,278	839,173

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**22,198**	20,419
Interest on lease liabilities	**19,168**	23,492
	41,366	43,911

For the six months ended 30 June 2026, no borrowing costs were capitalised in relation to construction in progress (six months ended 30 June 2025: nil).

8. PROFIT BEFORE TAX

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

		Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
(a)	Staff costs:		
	Salaries, wages and other benefits	**6,213,647**	6,833,056
	Contributions to defined contribution retirement schemes	**1,112,478**	1,154,463
		7,326,125	7,987,519
(b)	Other items:		
	Amortisation	**96,490**	99,633
	Depreciation	**659,054**	709,824
	Write-down of inventories, net	**12,494**	27,729
	Impairment losses recognised and reversed on accounts receivables, other receivables, contract assets and others, net	**96,370**	161,577

The selling expenses, general and administrative expenses, research and development costs and others of the Group are RMB1,133 million, RMB2,328 million, RMB1,998 million and RMB247 million for the six months ended 30 June 2026, respectively (six months ended 30 June 2025: RMB1,193 million, RMB2,457 million, RMB2,184 million and RMB348 million, respectively).

9. INCOME TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax	**300,163**	244,762
Deferred tax	**(33,990)**	(10,639)
Total income tax	**266,173**	234,123

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit before tax	**2,306,575**	2,440,726
Expected income tax expense at a statutory tax rate of 25% (six months ended 30 June 2025: 25%)	**576,644**	610,182
Differential/preferential tax rates on subsidiaries' income *(notes (i), (ii))*	**(127,947)**	(128,031)
Non-deductible expenses	**37,858**	30,947
Non-taxable income	**(41,646)**	(64,977)
Tax losses and other temporary differences not recognised	**28,890**	44,246
Utilisation of previously unrecognised tax losses	**(6,702)**	(9,067)
Adjustments in respect of current income tax of previous years	**9,335**	(9,329)
Additional deduction of research and development expenses *(note (iii))*	**(210,259)**	(239,848)
Income tax	**266,173**	234,123

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 six months ended 30 June 2026 and 2025 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% (six months ended 30 June 2025: 15%, 15% and 20%).

(iii) According to the PRC enterprise income tax law and its relevant regulations, certain research and development expenses of the Group's PRC subsidiaries are qualified for an additional deduction of 100% for tax reporting purpose (six months ended 30 June 2025: 100%).

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 six months ended 30 June 2026 of RMB1,969,890 thousand (six months ended 30 June 2025: RMB2,128,715 thousand) and the number of shares in issue during the six months ended 30 June 2026 of 6,926,018 thousand shares (six months ended 30 June 2025: 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 periods.

11. OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Changes in fair value of equity instruments at fair value through other comprehensive income recognised during the period	**(498,282)**	526,396
Net deferred tax charged to other comprehensive income	**123,500**	(131,614)
Exchange differences on translation of financial statements	**(30,793)**	16,089
Other comprehensive income for the period	**(405,575)**	410,871

12. DIVIDENDS

(a) Dividends attributable to the interim period

The Board of Directors did not propose the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

(b) Dividends attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the period of RMB0.2241 per share (2025: RMB0.2187 per share)	**1,552,121**	1,514,720

No final dividend or special dividend was paid during the six months ended 30 June 2026 and 2025.

13. ACCOUNTS AND BILLS RECEIVABLES, NET

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Bills receivables	**819,349**	740,688
Accounts receivables	**27,352,469**	24,381,687
	28,171,818	25,122,375
Less: allowance for credit losses	**(2,747,114)**	(2,693,748)
	25,424,704	22,428,627

(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:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**21,590,784**	18,833,729
After 1 year but less than 2 years	**2,600,102**	2,459,480
After 2 years but less than 3 years	**916,768**	861,243
After 3 years but less than 4 years	**218,825**	181,144
After 4 years but less than 5 years	**48,817**	43,743
Over 5 years	**49,408**	49,288
	25,424,704	22,428,627

14. CONTRACT ASSETS, NET

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Telecommunications infrastructure services	**40,299,185**	34,809,759
Business process outsourcing services	**1,999,750**	1,635,318
Applications, content and other services	**5,507,347**	5,195,785
	47,806,282	41,640,862
Less: allowance for credit losses	**(573,451)**	(562,472)
	47,232,831	41,078,390

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:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Accounts payables	**62,317,518**	57,622,659
Bills payables	**4,333,024**	5,519,635
	66,650,542	63,142,294

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**64,207,157**	60,568,007
After 1 year but less than 2 years	**1,369,556**	1,447,741
After 2 years but less than 3 years	**423,510**	425,937
Over 3 years	**650,319**	700,609
	66,650,542	63,142,294

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Telecommunications infrastructure services	**4,380,475**	6,851,358
Other services	**2,405,403**	2,809,000
	6,785,878	9,660,358

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.

FINANCIAL REVIEW

Revenues

In the first half of 2026, adhering to its overall roadmap of "Value-Driven, Seeking Steady Yet Progressive Growth and High-Quality Development", the Group deepened the connotation of its strategic positioning as a "New Generation Integrated Smart Service Provider", and fully 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". The Group 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 keeping revenue scale broadly stable. The revenues amounted to RMB74,480 million, representing a decrease of 3.2% compared to RMB76,939 million in the first half of 2025, and among which, service revenue[11] amounted to RMB73,127 million, representing a decrease of 2.5% compared to RMB74,981 million in the first half of 2025.

Revenue by Business

In the first half of 2026, revenue from telecommunications infrastructure ("TIS") services was RMB36,602 million, representing a year-on-year decrease of 4.4%. Revenue from business process outsourcing ("BPO") services was RMB22,104 million, representing a year-on-year decrease of 1.2%. Revenue from applications, content and other ("ACO") services was RMB15,774 million, representing a year-on-year decrease of 3.1%.

With the deepened implementation of the "AI+" initiative, the pace of digital information infrastructure construction has accelerated, driving competition in the digital construction area to evolve towards a higher level and greater refinement. The Group enhanced its integrated comprehensive smart service capabilities, seized the opportunities arising from construction of computing power and intelligent computing centers, thereby mitigating the impact on its telecommunications infrastructure businesses as a result of reduced customer investments. By further integrating its resources, advancing specialized operations, and capitalizing on the incremental demand in the operation and maintenance market driven by AI development, the Group vigorously expanded the CCS Smart Maintenance business. As a result, the Group achieved favourable growth in its BPO businesses, which possess attributes such as strong customer loyalty and short cash conversion cycles. Excluding the product distribution business, which was proactively controlled by the Group, revenue from the BPO service recorded steady growth. The Group fully leveraged digital technology as a productive force, capitalizing on its integrated service strengths as well as its system integration and software development capabilities to effectively meet customers' digital needs, and drove the development in its system integration and software development businesses. Although certain businesses were affected by phased adjustments of customers' investment and delivery schedules, the overall development of the applications, content and other businesses remained steady.

[11] Service revenue = revenues – revenue from products distribution – revenue from IT equipment supplies in system integration

Revenue by Market

In the first half of 2026, the Group's revenue from the domestic telecommunications operator market amounted to RMB38,922 million, representing a year-on-year increase of 1.9%. Revenue from the domestic non-operator market amounted to RMB33,248 million, representing a year-on-year decrease of 9.1%. Revenue from the overseas market amounted to RMB2,310 million, representing a year-on-year increase of 7.4%.

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. In the domestic non-telecom 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. 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 delivered overseas AIDC benchmark projects, thereby achieving relatively rapid revenue growth in overseas market.

Cost of Revenues

In the first half of 2026, the cost of revenues of the Group amounted to RMB67,048 million, representing a year-on-year decrease of 2.9%. Among which, direct personnel costs amounted to RMB3,287 million, representing a decrease of 11.3% from RMB3,707 million in the first half of 2025. The Group has always kept a reasonable control over its total headcount and continued to optimize the employee structure, while maintaining remuneration per capita largely stable. Subcontracting charges amounted to RMB41,178 million, representing a decrease of 4.1% from RMB42,932 million in the first half of 2025. The Group continuously strengthened management of subcontracting, strived to improve its self-sufficient delivery rate, and promoted the application of AI and digital tools to strengthen penetrative management of projects, resulting in a decline in subcontracting charges as a percentage of revenues. Materials costs amounted to RMB14,497 million, representing an increase of 8.7% from RMB13,341 million in the first half of 2025. The Group will enhance materials cost control by improving its internal procurement system and further implementing centralized procurement.

Gross Profit

In the first half of 2026, the Group recorded gross profit of RMB7,432 million, representing a decrease of 5.8% over RMB7,888 million in the first half of 2025. The Group's gross profit margin in the first half of 2026 was 10.0%, representing a decrease of 0.3 percentage points from 10.3% in the first half of 2025, indicating a moderated decline rate (gross profit margin in the first half of 2025 declined by 0.6 percentage points compared with the same period of 2024). While catering for the scale of its development, the Group will focus more on improving quality and efficiency, guide its subsidiaries through appraisal to select and develop high-gross-profit projects to increase the proportion of high-value businesses and continuously optimize business structure. Meanwhile, the Group will continue to leverage AI and digital tools to strengthen project management and cost control. With the Group's deepening deployment in areas of digital economy, new infrastructure construction and industrial digitalization, the gross profit margin is expected to remain stable and improve over the medium to long term.

Selling, General and Administrative Expenses

In the first half of 2026, the selling, general and administrative expenses of the Group were RMB5,706 million, representing a decrease of 7.7% from RMB6,182 million in the first half of 2025. The Group steadily advanced cost reduction and efficiency improvement, while allocating R&D resources precisely to cultivate related capabilities in AI and digital infrastructure to ensure that R&D delivers results.

Profit Attributable to Equity Shareholders of the Company

In the first half of 2026, profit attributable to equity shareholders of the Company was RMB1,970 million, representing a decrease of 7.5% from RMB2,129 million in the first half of 2025, and a year-on-year decrease of 3.2% on a comparable basis[12].

Cash Flow

In the first half of 2026, the Group recorded a net cash outflow of RMB6,813 million, as compared to a net cash outflow of RMB8,073 million in the first half of 2025. The decrease in net cash outflow was mainly attributable to a reduction in net cash outflow from investment activities. The Group will continue to strengthen working capital management to maintain a healthy cash flow level.

Assets and Liabilities

The Group maintained its solid financial position. As of 30 June 2026, the Group's total assets was RMB139,214 million, representing an increase of RMB2,532 million from RMB136,682 million as of 31 December 2025. Total liabilities was RMB90,083 million, representing an increase of RMB2,489 million from RMB87,594 million as of 31 December 2025. The liabilities-to-assets ratio was 64.7%, which slightly increased compared with that as of 31 December 2025.

[12] Figures on a comparable basis exclude the impact of dividend income as a non-comparable factor.

AUDIT COMMITTEE

The audit committee has reviewed with management and the Company's international auditor on 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 interim results for the six months ended 30 June 2026.

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 has also 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 the code provisions as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules for the six months ended 30 June 2026.

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, and each of the directors has confirmed his/her compliance with the Model Code in connection with the transactions of the Company's securities for the six months ended 30 June 2026.

COMPLIANCE WITH APPENDIX D2 TO THE LISTING RULES

According to paragraph 40 of Appendix D2 to the Listing Rules, save as disclosed in this announcement, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not changed significantly from the information disclosed in the Company's 2025 Annual Report.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined under the Listing Rules)).

As at 30 June 2026, the Company did not have any treasury shares.

INTERIM REPORT

The Interim Report for the six months ended 30 June 2026 will be made available on the "HKExnews" website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chinaccs.com.hk), and will be dispatched to the requesting shareholders of the Company 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 change in 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
26 August 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. Miao Shouye, Mr. Liu Aihua and Mr. Chen Li, and our independent non-executive directors are Mr. Lv Tingjie, Mr. Wang Qi, Mr. Wang Chunge and Ms. Chiu Mun Wai.