中国通信服务
CHINA COMSERVICE

China Communications Services Corporation Limited Stock code : 552

NEW ERA
OF DIGITALIZATION
A HUNDRED BILLION
ENTERPRISE

# 2018 Annual Results

28 Mar 2019

www.chinaccs.com.hk

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| | |
|---|---|
| PRESIDENT | *MR. SI FURONG* |
| EXECUTIVE VICE PRESIDENT | *MR. LIANG SHIPING* |
| EXECUTIVE VICE PRESIDENT & CFO | *MS. ZHANG XU* |

# Agenda

中国通信服务
CHINA COMSERVICE



*Overview*



*Business Review*



*Financial Results*

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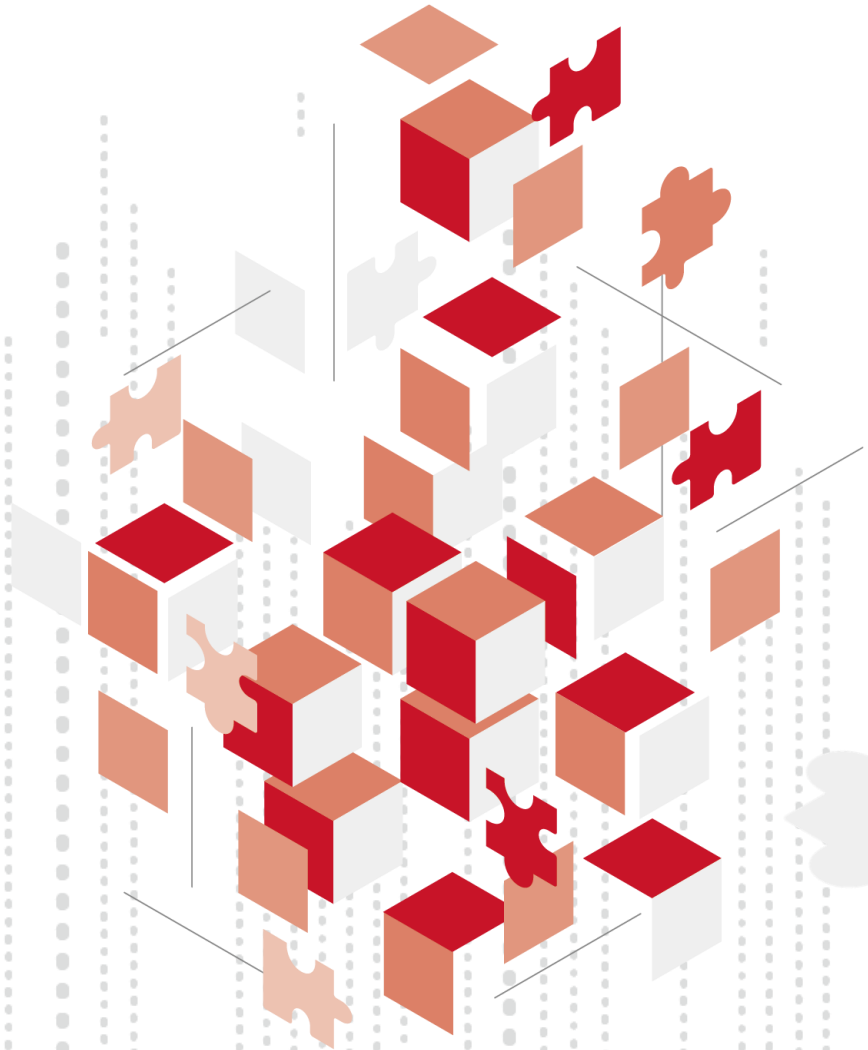

# Overview

# Made a Great Leap in Development to Embrace for the Digitalization Era

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## Enter into a New Development Stage

**Continued to transform growth momentum** which drove revenue to **leap from ten-billion to hundred-billion level**

## Innovation to Drive New Development

Enriched our Smart Solutions and propelled our software related businesses **to sustain rapid development, with growth rate more than 20%**

## Build the New "Smart" Brand

Accelerate **transformation towards digital services,** enhance the brand awareness of "Smart Comservice" and increase our influence in the industry

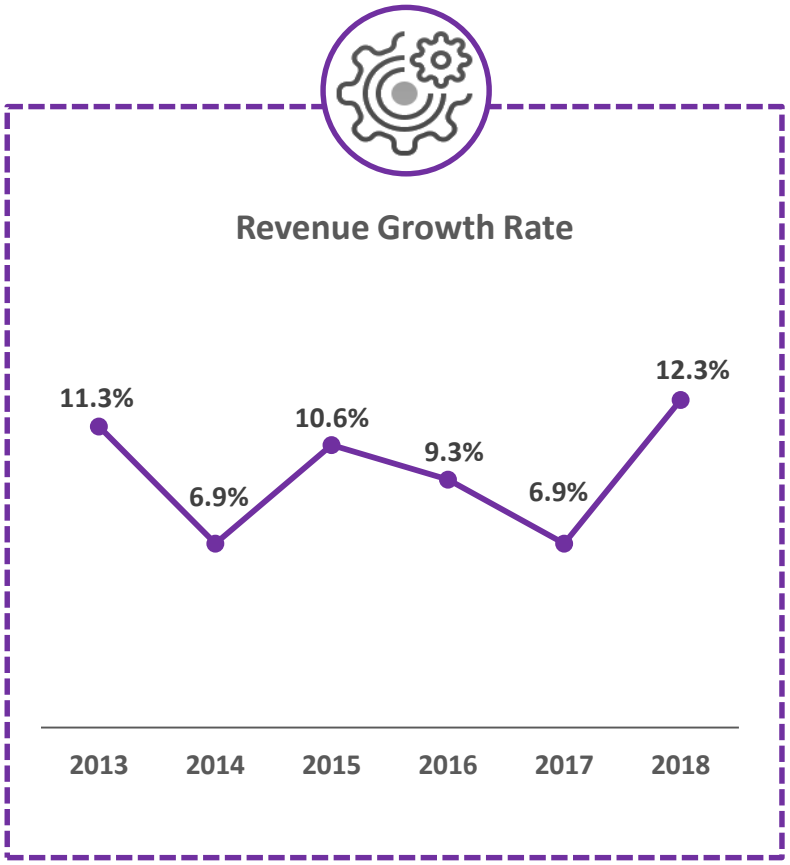
# Favourable Operating Results

Revenue grew by **12.3%** to RMB **106,177 million**; of which core businesses revenue increased by **15.6%**

Net profit grew by **6.9%** to RMB **2,901 million**

Free cash flow reached RMB **3,613 million**, cash conversion ratio continued to maintain at a healthy level

DPS(with special dividend) increased by **6.9%**, representing a dividend payout ratio of **36%**




Revenue growth **hit 6-year high** yoy

Unless otherwise stated, the following terms in the presentation are defined as follows:

(1) Other than three telecommunications operators, domestic operator market also includes China Tower

(2) Domestic non-operator represents domestic non-telecom operator market

(3) Core businesses comprise TIS, Core BPO and ACO Businesses, i.e. excluded Products Distribution Business. Please refer to the business revenue breakdown on p.11 for details

(4) Free cash flow = profit for the year + depreciation & amortization – changes in working capital – CAPEX

(5) Cash conversion ratio = net cash generated from operating activities / net profit

# Continued to Transform Growth Momentum, Driving Revenue Scale Exceeded Hundred-billion Level

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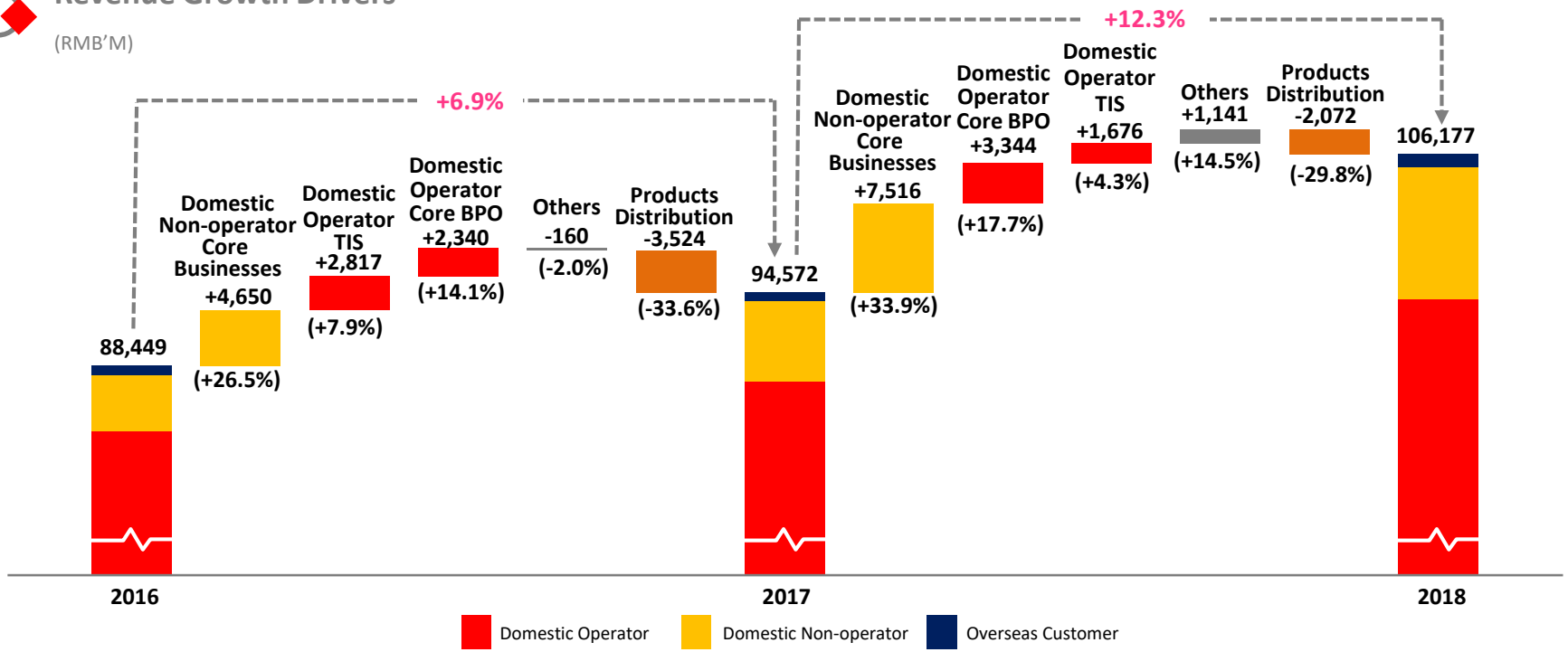
## Revenue Growth Drivers

(RMB'M)




- **Domestic non-operator market**: revenue growth accelerated, and its **contribution** to the overall incremental revenue **surpassed domestic operator market**
- **Domestic operator market**:
  - Vigorously developed OPEX-driven business, and core BPO businesses' **contribution** to incremental revenue **surpassed TIS business of domestic operators**
  - Maintained a steady growth on TIS business of domestic operators despite the fall of overall CAPEX in the telecom industry
  - Seized ICT business demand arising from the transformation of domestic operators, growth of ACO businesses accelerated

# Enter into a New Stage of Development

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## Hundred-billion Enterprise

### New Milestone

### Economies of Scale

**Transformed growth momentum**, revenue hit over RMB 100 billion level

## Business Innovation

### New Capabilities

### Expedited Development

Software and system integration businesses in the ACO businesses sustained >20% growth for 2 consecutive years, bringing **proportion of ACO revenue to total revenues increase for the 3rd straight year**

## SOE Reform

### New Breakthrough

### Reform and Innovation

Included in the list of "Double-hundred Action", providing **new opportunities for the enhancement of corporate capabilities, vitality and transformative development**

## Smart Comservice

### New Image

### Brand Building

Officially released the Smart Society Product Portfolio; ranked 6th in "China's Top 100 Software Enterprises 2018" and was awarded "Top Ten Leading Enterprises for Information Technology Industry in 2019", which **manifested its industry status**

## Synergistic Development

### New Power

### Capability Enhancement

Synergized cross-province marketing and implementation in the frontline with technical expertise at backstage; **leveraged resources of the whole group to form new power** and won more than 60 projects through synergistic development, and large-scale benchmark projects continued to emerge

# Seize New Opportunities along the Main Tracks of Development

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## Macro Environment

- Economic development momentum shifts to technology innovation
- Digital Economy becomes the new growth driver…

## Industry Trend

- New technologies expedite the integration of digitalization with industries and enterprises
- Government further promotes 5G development…

## National Policies

- "Cyberpower", "Digital China", "Smart Society", "Belt and Road" Initiative
- SOE Reform, "Double Hundred Action" …

## Leading Provider of Producer Services in the Informatization Sector

***Value-driven, Seeking Steady yet Progressive Growth and High-quality Development***

### Domestic Non-operator

- Leverage on technologies such as Big Data, Cloud Computing and IoT to further enrich and optimize smart solutions for various industries
- Further enhance the cultivation of the "Smart Comservice" brand through various means
- Utilize external and internal resources for synergistic development and ecosystem construction

### Domestic Operators

- Take CAPEX and OPEX as dual drivers to further penetrate traditional businesses and closely follow 5G opportunities
- Accommodate demand from new ecosystem and capture the demand on ICT businesses arising from domestic operators' transformation
- Strengthen collaboration and jointly develop domestic non-operator and overseas market

### Overseas

- Focus on telecommunications infrastructure construction and network upgrade; and replicate mature domestic smart products to overseas market
- Cooperate with domestic operators and "Go Abroad" Chinese enterprises to jointly develop overseas market

***Bolstering Cyberpower Strategy, Building First-class Enterprise, Serving a Good Life***

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# Business Review

# Business Revenue Breakdown

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| (RMB'M) | 2017 | 2018 | Change % | % of Revenue |
|---|---|---|---|---|
| **TIS (Telecommunications Infrastructure Services)** | | | | |
| Design | 10,239 | 10,605 | 3.6% | 10.0% |
| Construction | 36,668 | 42,863 | 16.9% | 40.4% |
| Supervision | 3,604 | 3,891 | 8.0% | 3.6% |
| **Subtotal** | **50,511** | **57,359** | **13.6%** | **54.0%** |
| **BPO (Business Process Outsourcing Services)** | | | | |
| Maintenance | 12,829 | 14,793 | 15.3% | 13.9% |
| Facilities Management | 4,555 | 5,278 | 15.9% | 5.0% |
| Supply Chain | 8,424 | 10,149 | 20.5% | 9.6% |
| **Subtotal** | **25,808** | **30,220** | **17.1%** | **28.5%** |
| Products Distribution | 6,955 | 4,883 | -29.8% | 4.6% |
| **Subtotal** | **32,763** | **35,103** | **7.1%** | **33.1%** |
| **ACO (Applications, Content and Other Services)** | | | | |
| System Integration | 5,790 | 7,373 | 27.3% | 6.9% |
| Software Development & System Support | 2,049 | 2,502 | 22.1% | 2.4% |
| Value-added Services | 1,570 | 1,934 | 23.2% | 1.8% |
| Others | 1,889 | 1,906 | 0.9% | 1.8% |
| **Subtotal** | **11,298** | **13,715** | **21.4%** | **12.9%** |
| **Total for Core Businesses [1]** | **87,617** | **101,294** | **15.6%** | **95.4%** |
| **Total** | **94,572** | **106,177** | **12.3%** | **100%** |

**Core BPO Businesses**

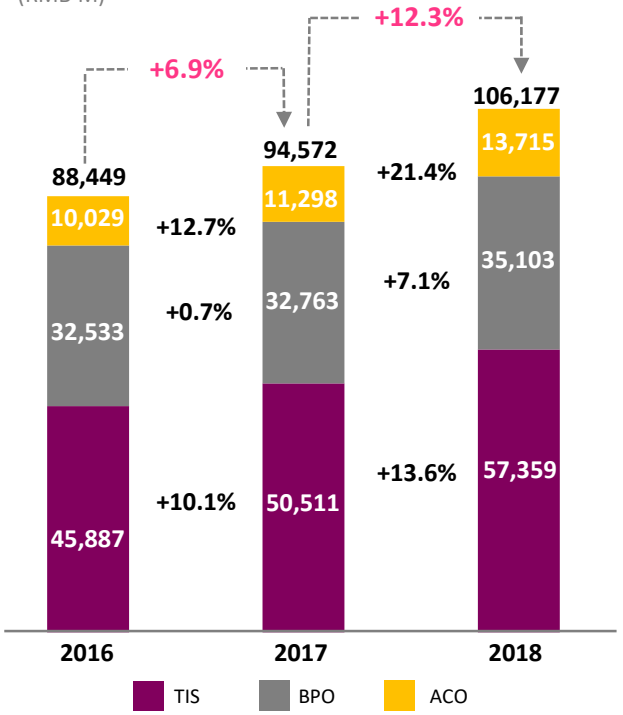


[1] Core businesses comprise TIS, Core BPO and ACO Businesses, i.e. excluded Products Distribution Business

# Revenue Growth Trend by Businesses and Markets

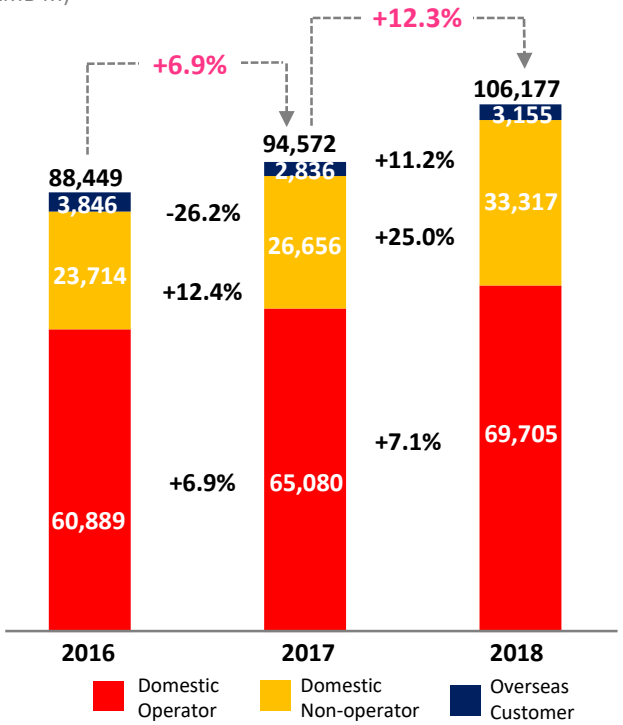
## Revenue Growth by Businesses

(RMB'M)




## Revenue Growth by Markets

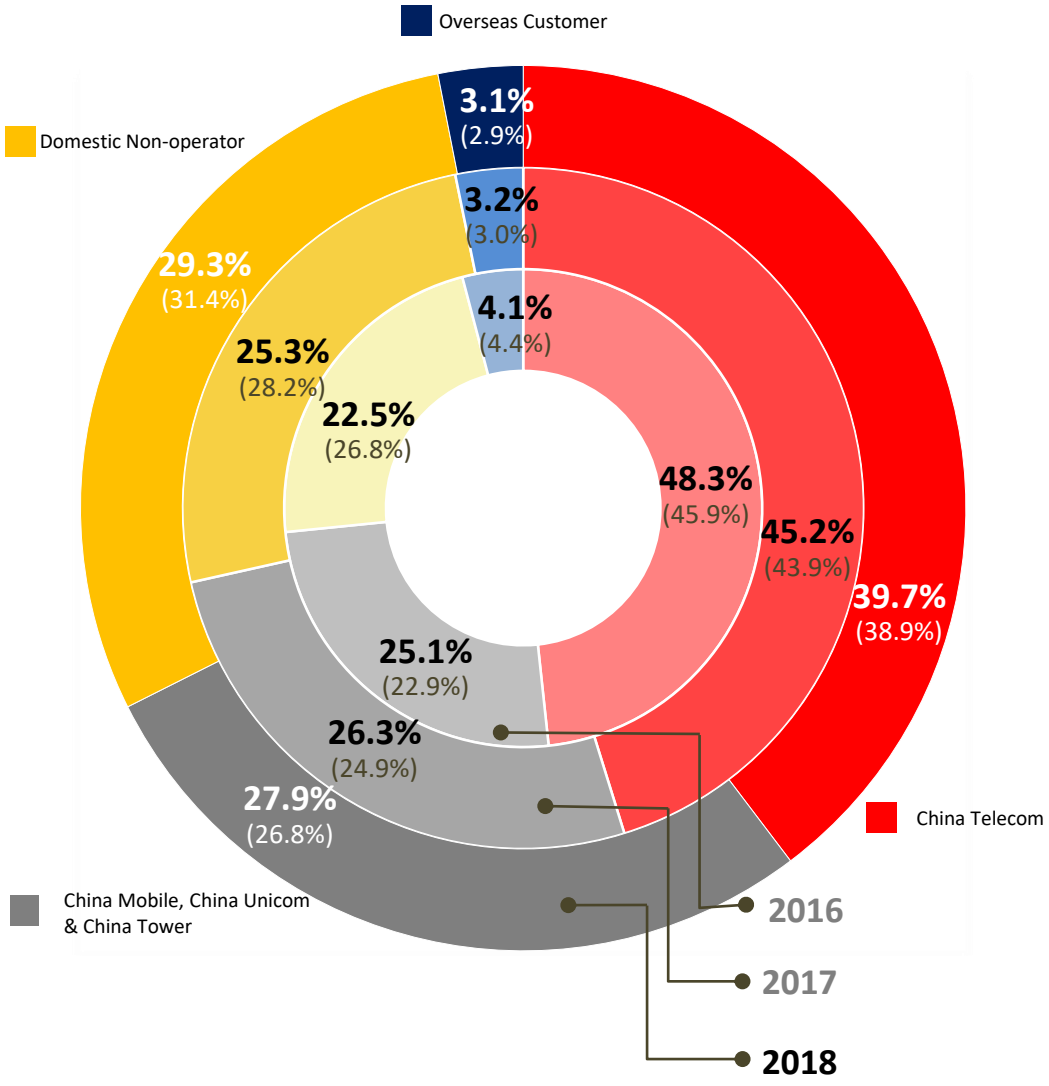
(RMB'M)




Compared with 2017, growth of 3 businesses and 3 markets experienced accelerating growth of various degree

- **Domestic Non-operator:** led by planning and consultation businesses and capitalized on ACO core products, the provision of integrated comprehensive solutions drove the growth of TIS and BPO businesses
- **Domestic operator:** vigorously developed OPEX business and exploited customers' demand for ICT businesses, BPO and ACO businesses supported continuous and steady revenue growth
- **Overseas customer:** breakthrough development on key projects were achieved, revenue stabilized and recovered

# Core Businesses Revenue Composition



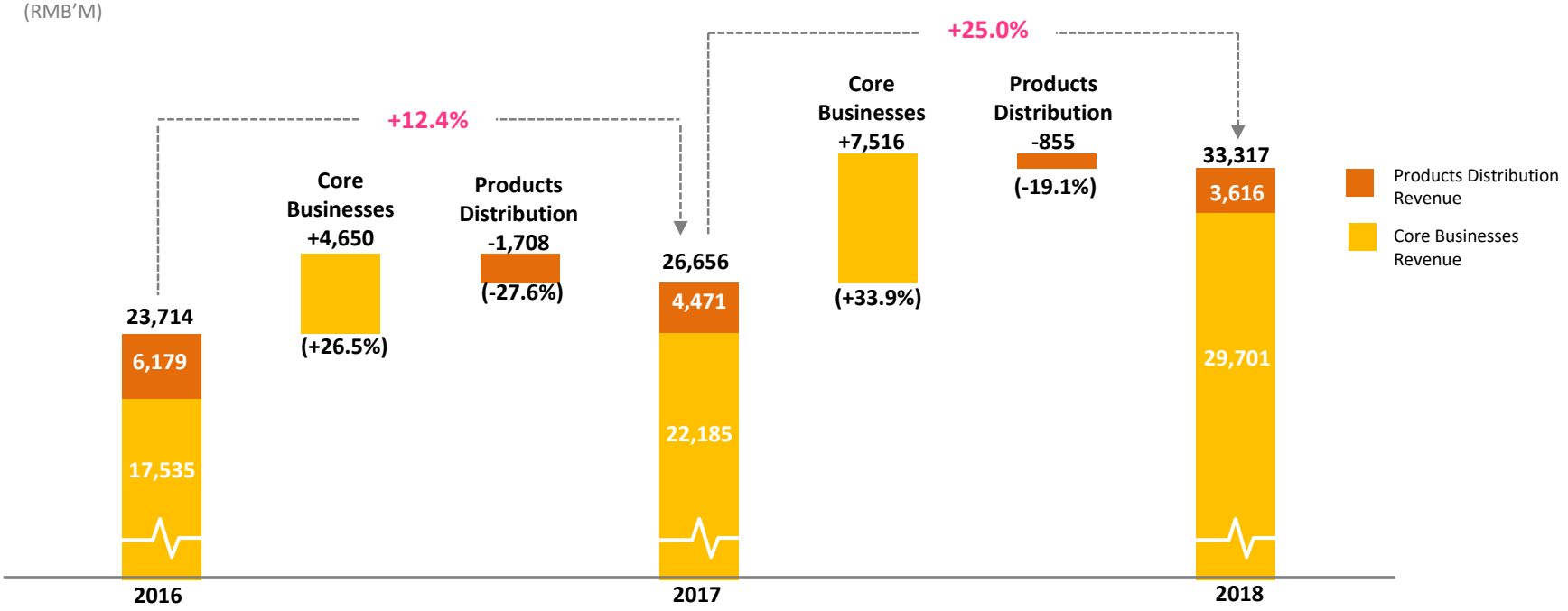

- Customer revenue structure further optimized and became more diversified, portion of revenue from domestic operators other than China Telecom and domestic non-operator **escalated progressively year on year**
- Proportion of Core Businesses revenue from domestic non-operator **for the first time surpassed** domestic operators other than China Telecom and became the second largest customer group



Note: All % figures in bracket are as a % of total revenues, i.e. included Products Distribution Business

## Revenue Growth Drivers

(RMB'M)




- Seizing the opportunities from Digital Economy and Smart Society and further enhancing the integrated service capabilities and market influence, **turnkey projects of RMB100 million scale kept emerging**:
  - Including Intelligentizatoin Project for Shenzhen World Exhibition & Convention Center, "Smart Park" Project for Beijing Expo 2019, etc.
- Officially released the "Smart Society Product Portfolio", and **build the "Smart Comservice" branding**
- **Successfully made foray into the software enterprise ecosystem,** and ranked as top 10 enterprises in 2 renowned rankings in the industry
- **Proactive cultivation of ecosystems**: internally, we established Ecosystem Alliances for Cloud Computing, IoT and Smart City; externally, we established "Smart Service Industrial Ecosystem Alliance"

# Domestic Non-operator Market II – Smart Products and Newly Signed Contracts

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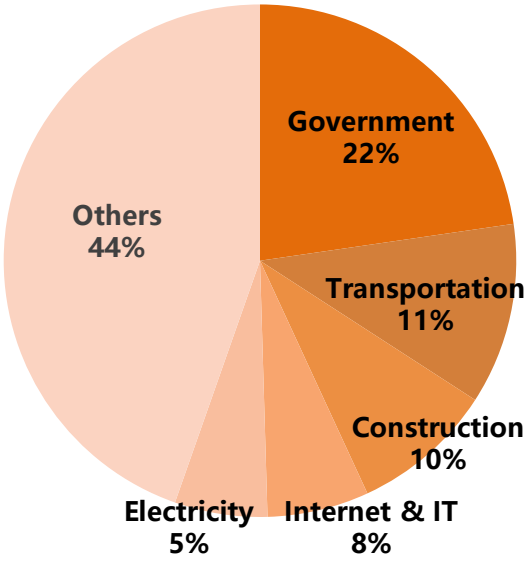
**Focus on Key Industries** → **Provide Smart Solutions** → **Maintain Robust Momentum for Newly Signed Contracts**

## Sector Breakdown of Newly Signed Contracts in 2018




## "Big" Smart City Products Portfolio

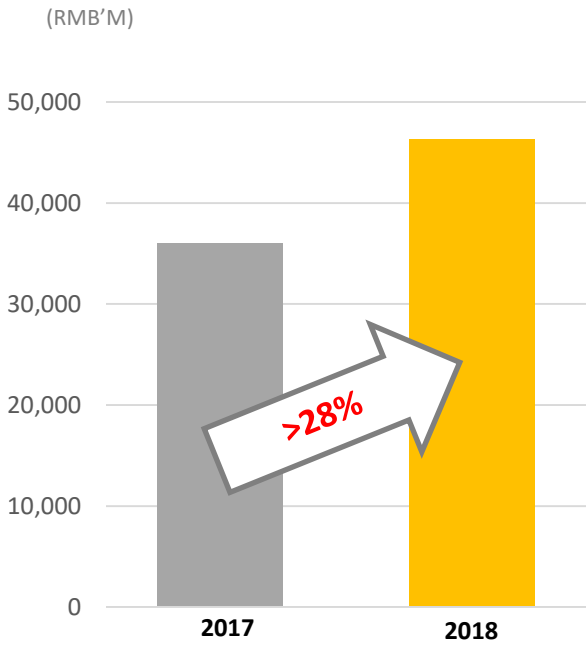
| | | |
|---|---|---|
| Smart City | Smart Town | Smart Park |
| Smart Construction | Smart Gov. Services | Smart Safety |
| Smart Transportation | Smart Water Conservancy | Smart Enterprise |
| Smart Education | Smart Tourism | Smart Court |
| Smart Justice | Smart Inspection | … |

Big Data Cognitive Analysis

Open IoT Platform

CCSYUN (Cloud Platform)

## Total Amount for Newly Signed Contracts



# Domestic Non-operator Market III – Our Advantages and Ecosystem Construction

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### Hundred-billion State-owned Listed Group

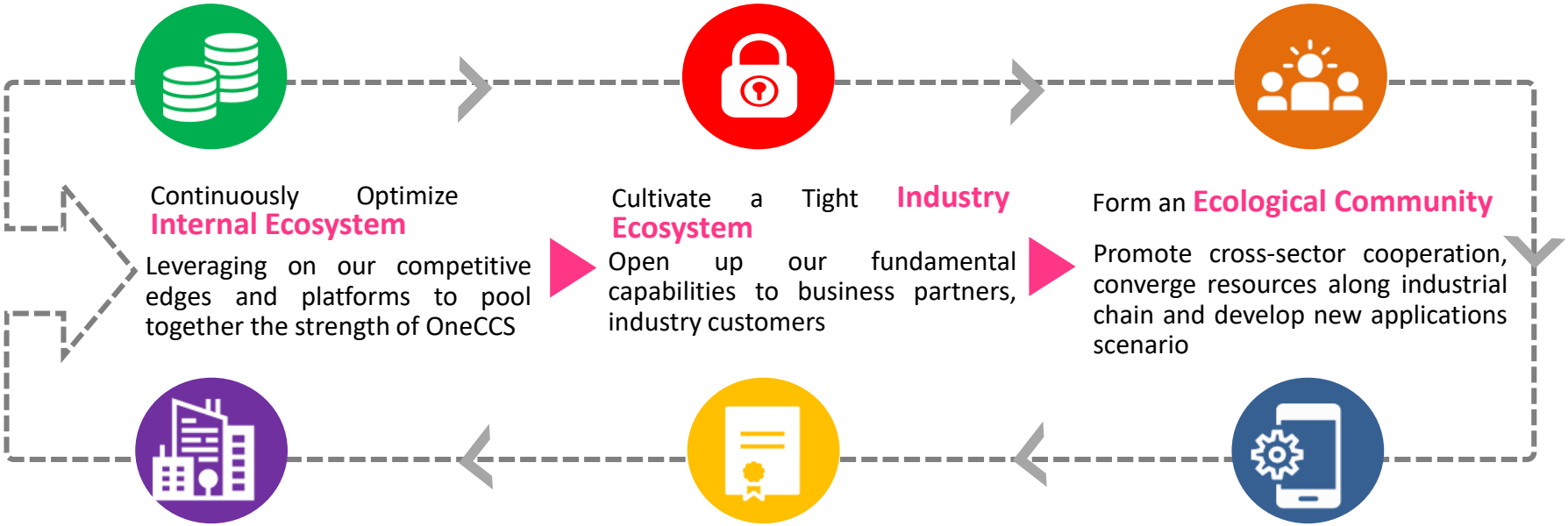
- With economies of scale and a trustable partner for customers

### Top Qualification in Informatization Sector

- Possess decades of experience in serving domestic operators, top qualification for information & telecommunication sector and security sector

### Top-Level Planning and Design Capabilities for Smart City

- 10,000 consultation experts and 10,000 software engineers provide comprehensive services from top-level design to product development and operation



Continuously Optimize **Internal Ecosystem**

Leveraging on our competitive edges and platforms to pool together the strength of OneCCS

Cultivate a Tight **Industry Ecosystem**

Open up our fundamental capabilities to business partners, industry customers

Form an **Ecological Community**

Promote cross-sector cooperation, converge resources along industrial chain and develop new applications scenario

### Localized Execution Capabilities with Comprehensive Coverage

- Our team provide nationwide coverage and localized support for implementation, operation and maintenance

### Multi-business Integrated Services

- Leading by planning and consultation businesses and capitalizing on ACO core products, provide integrated informatization solutions to customers

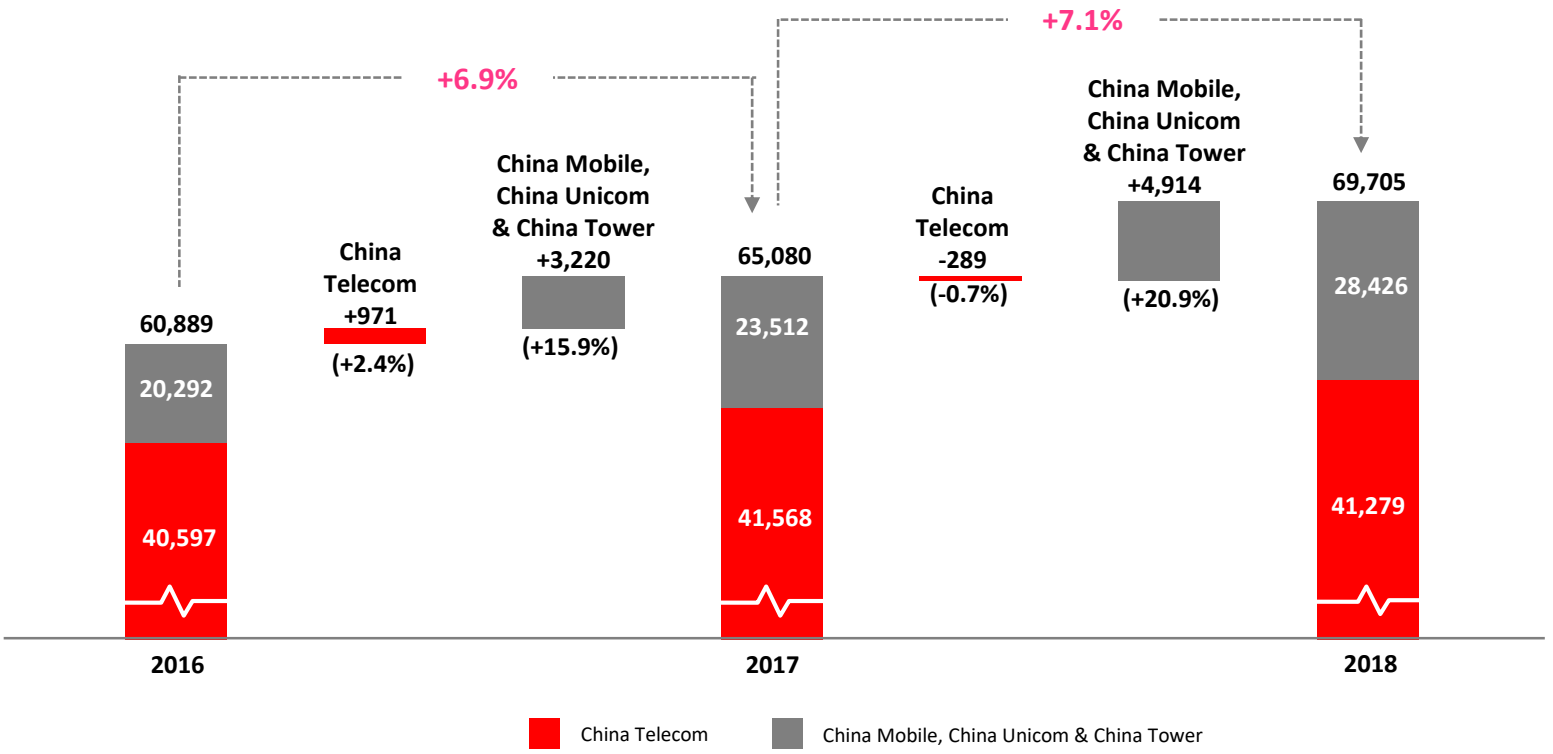
### Smart Platforms and Rich Smart Product Portfolio

- Over 20 smart product solutions and a product portfolio that could be disassembled or combined at customers' request

# Domestic Operator Market I – Customer Performance

## Revenue Growth Drivers

(RMB'M)

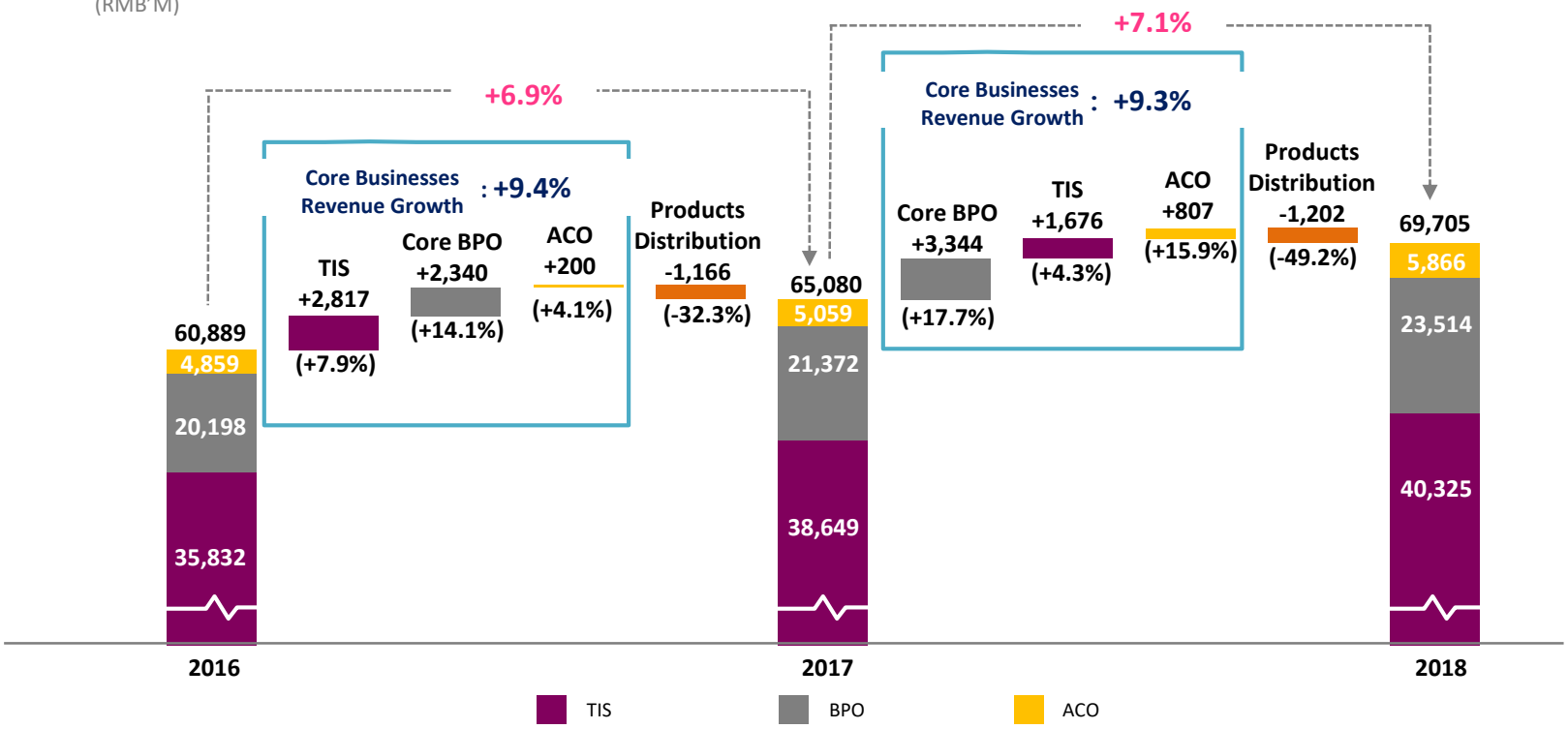



- Domestic operator market maintained continuous growth through enhancing project management and delivery quality
- Revenue from domestic operators other than China Telecom grew over 20% and maintained rapid development
- Excluding products distribution business, revenue from Core Businesses of China Telecom increased by 1.5% yoy

# Domestic Operator Market II – Business Performance

## Revenue Growth Drivers

(RMB'M)

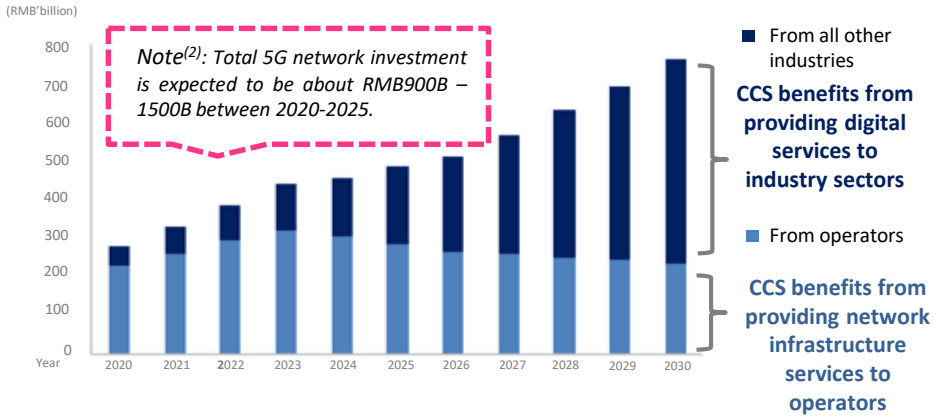



- By vigorously developing OPEX business, contribution from Core BPO businesses to the incremental revenue surpassed TIS business
- Deeply penetrated into CAPEX business and enhanced our market share, TIS business maintained stable growth
- Proactively prepared for the new ICT businesses demand arising from domestic operator transformation, revenue growth of ACO businesses accelerated

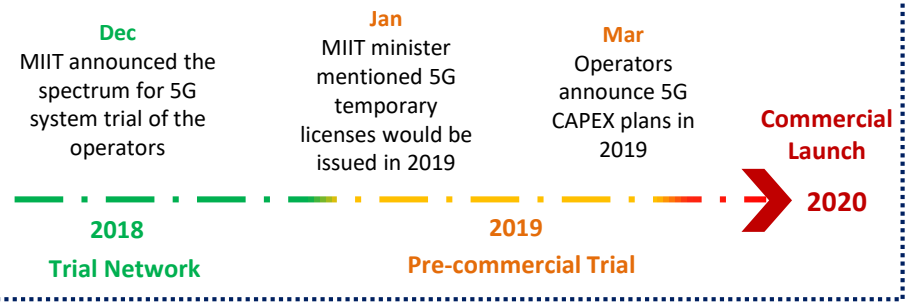
# Domestic Operator Market III – CAPEX and OPEX Dually Drive Future Development

## CAPEX

### 5G Expenditure by operators and other industries in China[1]




### Latest Key Events for 5G Development in China

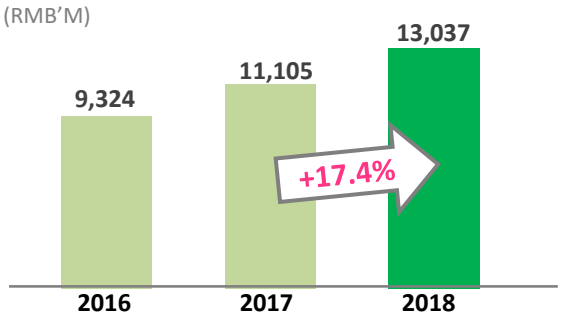



### Strive for Stable-to-Rising Market Share

- Promote the construction of 5G trial network, Smart Family and IoT, etc.
- Support transformation and upgrade of operators and facilitate the deployment for new ICT business demand

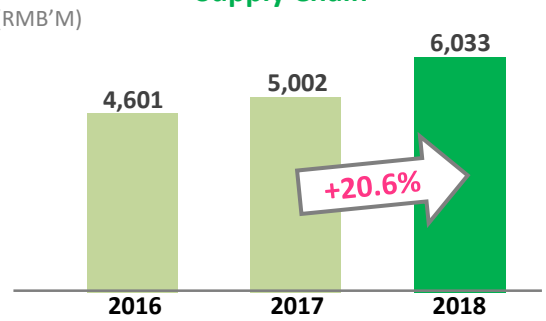
## OPEX

### Maintenance[3]



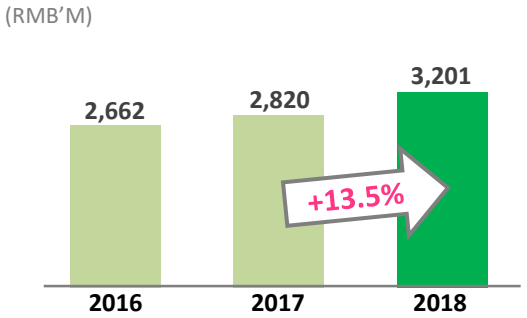

- Expand towards IT maintenance, DC maintenance, and Smart Family customer-end maintenance

### Supply Chain[3]




- Unify planning for whole network, synergize capabilities for warehousing, logistics and channels operation; expand into enterprise customers

### Facilities Management[3]



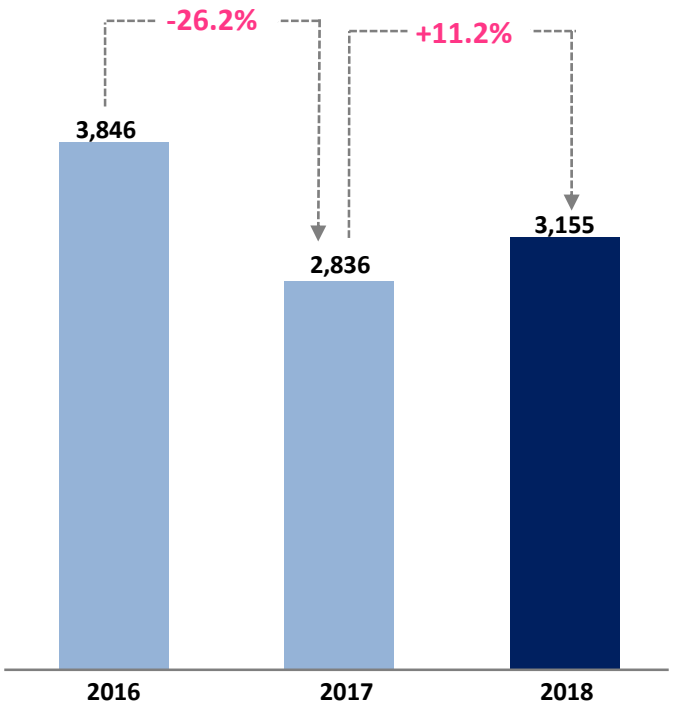

- Further enhance standardization and synergistic operation of property management, and extend service capabilities to enterprise customers

(1) Source: "White Paper on 5G Economic and Social Impact" issued by China Academy of Information and Communications Technology (CAICT) in 2017
(2) Source: Information released in CAICT's website in March 2019
(3) Such data reflects revenues from domestic operator market only

# Overseas Market – Review and Prospect

## Revenue from Overseas Market

(RMB'M)




- Breakthrough development on key projects were achieved, revenue stabilized and recovered
- Business and customer structure further optimized and growth of overseas enterprise customers accelerated
- Collaborated with domestic operators and "Go Abroad" Chinese enterprises to jointly develop businesses

## Prospect

***Serving "Belt and Road" Information Infrastructure Construction***

***Promoting Smart Society Construction Overseas***

1. **Focus on the construction and maintenance demand for operators**
   - Telecom sector in Asia-Pacific region, Africa and the Middle East are mostly emerging markets with enormous infrastructure demand
   - Global 5G deployment accelerates and new construction opportunities arise
2. **Closely follow the digitalization and transformation opportunities arising from overseas customers and extend the domestic smart society products overseas, thus realizing the transformation and upgrade of overseas business**
3. **Establish new service model that fully covers the production chain ( EPC+ Financing +…)**
4. **Deepen the collaboration with domestic operator to further expand into overseas market**
5. **Closely monitor changes in overseas environment and prevent risk**

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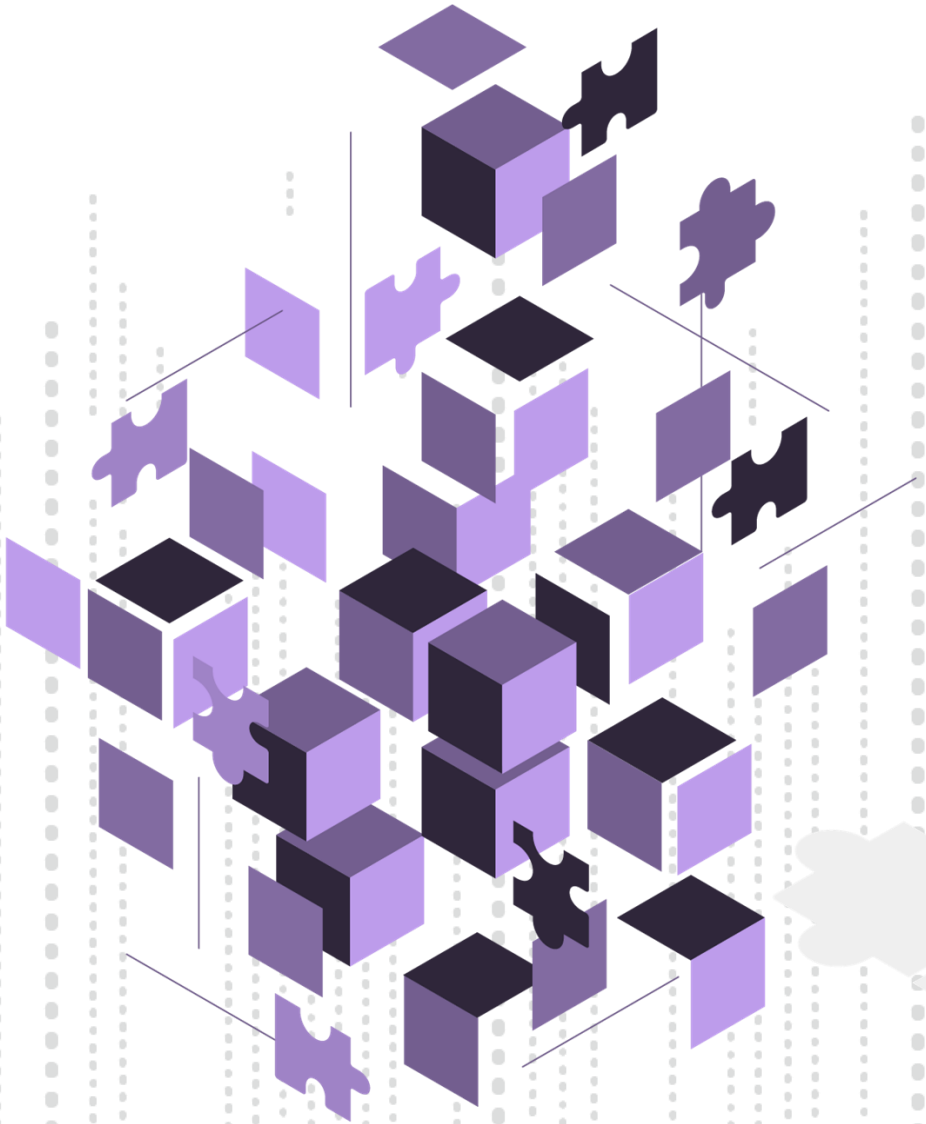
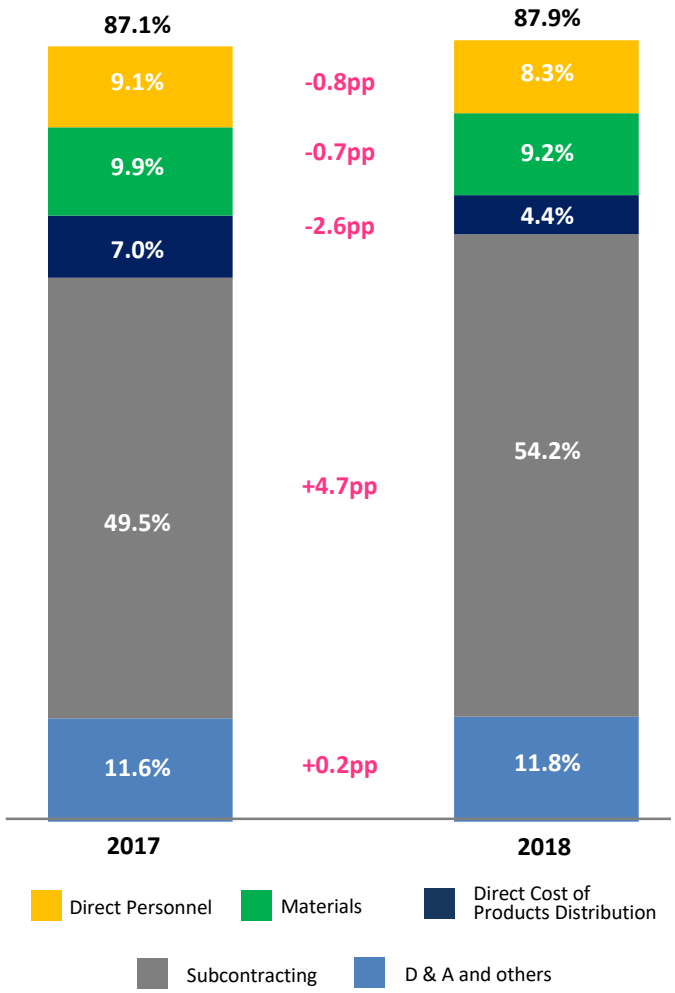


# Financial Results

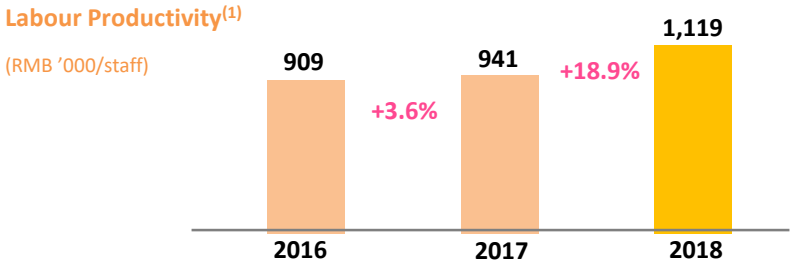
# Financial Performance

| (RMB'M) | 2017 | 2018 | Change % | % of Revenue |
|---|---|---|---|---|
| **Revenue** | **94,572** | **106,177** | **12.3%** | **100%** |
| **Cost of Revenue** | **82,360** | **93,292** | **13.3%** | **87.9%** |
| Direct Personnel | 8,647 | 8,748 | 1.2% | 8.3% |
| Materials | 9,328 | 9,783 | 4.9% | 9.2% |
| Direct Cost of Products Distribution | 6,595 | 4,629 | -29.8% | 4.4% |
| Subcontracting | 46,858 | 57,555 | 22.8% | 54.2% |
| D & A | 473 | 466 | -1.4% | 0.4% |
| Others | 10,459 | 12,111 | 15.8% | 11.4% |
| **Gross Profit** | **12,212** | **12,885** | **5.5%** | **12.1%** |
| **SG & A** | **9,885** | **10,611** | **7.3%** | **10.0%** |
| **Net Profit** | **2,714** | **2,901** | **6.9%** | **2.7%** |
| **EPS (RMB)** | **0.392** | **0.419** | **6.9%** | - |
| **ROE (%)** | **9.9%** | **9.6%** | **-0.3pp** | - |

# Cost of Revenue as a % of Revenue




- By utilizing subcontracting resources adaptively and controlling total staff number, direct personnel cost as a % of revenue kept declining while labour productivity increased noticeably



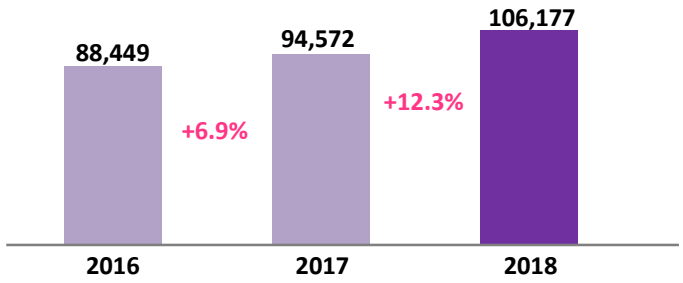

- Increase in subcontracting costs was mainly due to: (1) more low-end tasks subcontracting were needed along the company's transformation towards a management and technology-driven business model; (2) rapid growth in construction and maintenance businesses drove rapid growth for the relevant subcontracting; (3) more subcontracting for certain professional work were needed when more turnkey projects for domestic non-operator market were undertaken
- Rapid growth of construction, system integration and supply chain businesses drove the increase in materials cost, while its % of revenue decreased
- By proactively controlling the products distribution business, direct cost of products distribution as a % of revenue fell

(1) Labour Productivity = revenue / staff number

# Operating Efficiency

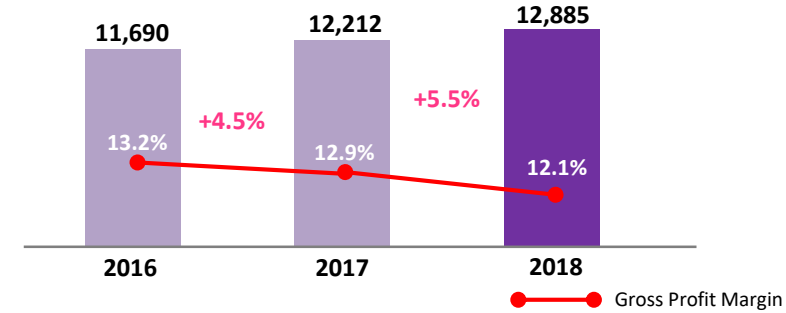
## Revenue

(RMB'M)



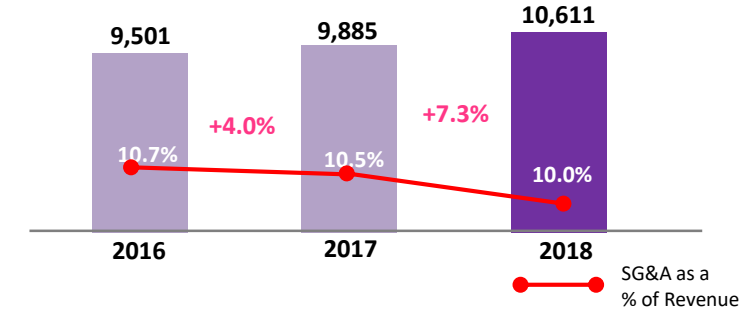

## Gross Profit

(RMB'M)



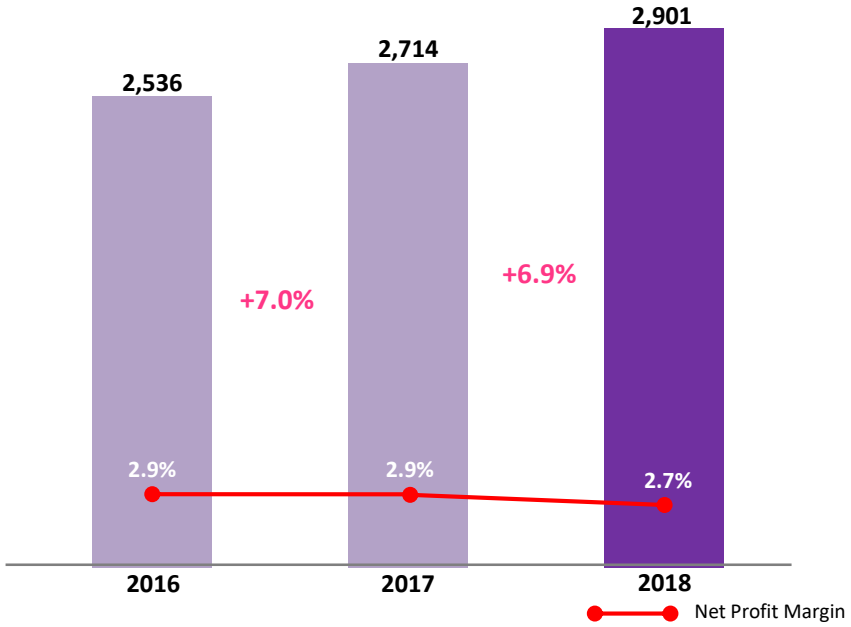

## SG & A

(RMB'M)




## Net Profit

(RMB'M)



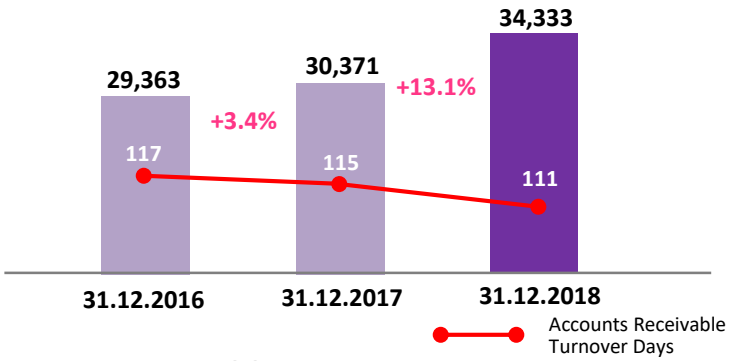

- Gross profit margin decreased due to the decreased service price in telecom industry, increased labour related cost, as well as the development in the domestic non-operator market still being in the introductory phase
- SG&A experienced a faster growth as R&D expenditure increased to support enterprise transformation and marketing cost also increased to build and promote the "Smart Comservice" brand

# Working Capital Management

- Working capital (accounts receivable and accounts payable) was still under good control
- Free cash flow stayed healthy while cash conversion ratio maintained at a healthy level

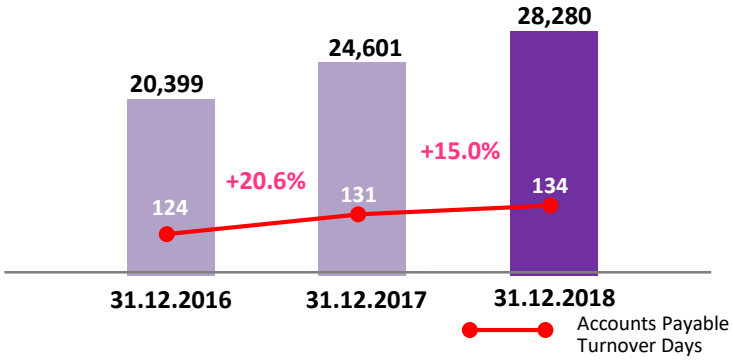
## Accounts Receivable[1]

(RMB'M)



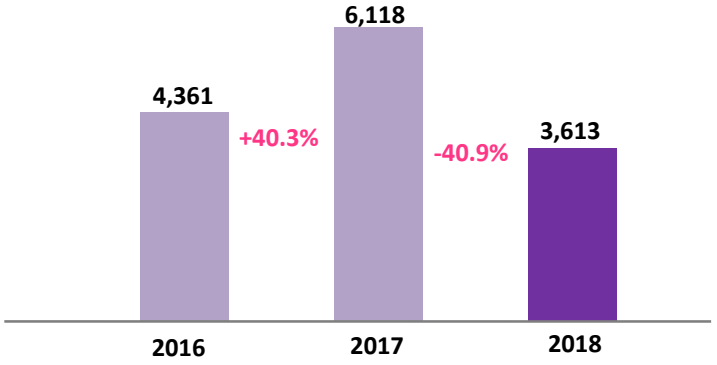

## Accounts Payable

(RMB'M)



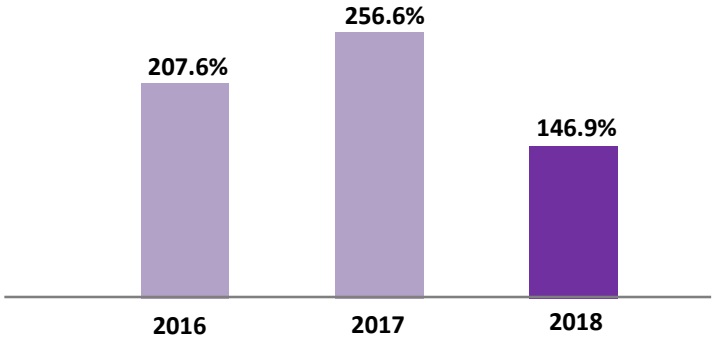

## Free Cash Flow

(RMB'M)




## Cash Conversion Ratio

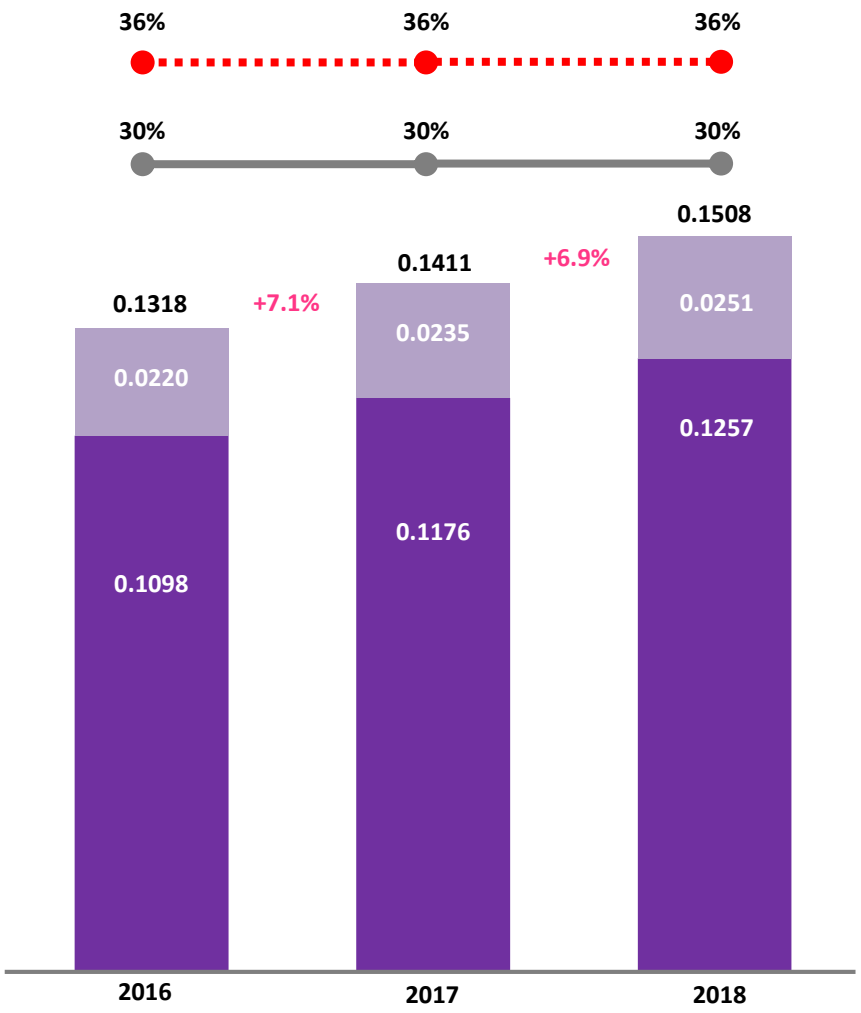
(%)




[1] Disclosures on certain items of financial statements have been adjusted following the adoption of new accounting standards from 2018. To maintain the comparability with past year figures, the amount of accounts receivable as at 31 Dec 2018 is the sum of "Accounts and bills receivable, net" and "Contract assets" in financial statements.

## Dividend per Share

(RMB)




- While maintaining a relatively stable and sustainable dividend policy, we increase return to our shareholders in consideration of results performance, cash flow and future development needs, etc.
- The Board recommends a final dividend of RMB0.1257 per share, and a special dividend of RMB0.0251 per share, total dividend for 2018 is RMB0.1508 per share, up by 6.9% yoy, with the total dividend payout ratio of 36%

# Robust Financial Position

- Maintained at low debt and net cash position
- Further realize comprehensive centralized cash management and increase cash management efficiency through China Telecom Group Finance Co., Ltd.
- Utilize financial resources to prepare for future 5G development, expand sizable projects and enrich our industrial applications, etc.

| (RMB'M) | 31.12.2017 | 31.12.2018 |
|---|---|---|
| Total Assets [1] | 70,735 | 80,926 |
| Total Liabilities | 41,915 | 48,097 |
| Equity Attributable to Equity Shareholders | 28,329 | 32,331 |
| Total Liabilities / Total Assets (%) | 59.3% | 59.4% |
| Debt-to-Capitalization Ratio (%) | 1.1% | 1.4% |
| Cash and Deposits | 16,621 | 18,235 |
| Interest-bearing Liabilities | 327 | 471 |

[1] Total assets as of 31.12.2018 included wealth management products of approximately RMB5 billion (31.12.2017: approximately RMB5 billion)

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## Raise Shareholders' Returns

***Value-driven, Seeking Steady yet Progressive Growth and High-quality Development***

### High-quality Features

- Driven by Advance Technologies
- High-quality Services
- Strong Sense of Social Responsibility

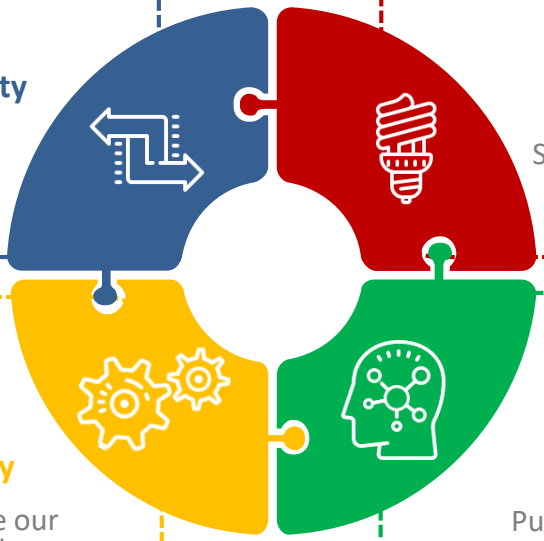
Encourage innovation, and integrate advance technologies with market expansion and services

### High-quality Staff

Strong Sense of

- Well-being
- Recognition
- Responsibility
- Loyalty

Strengthen talent team building and optimize market-oriented incentive mechanism to support enterprise development



### High-quality Operation

- High Market Share
- High Customer Loyalty
- High Efficiency
- High Sustainability

Allocate resource effectively and enhance our core capabilities to facilitate sustainable business development for our 3 markets

### High-quality Management

- High Integrity
- Highly Synergized
- High Vitality
- High Efficiency

Push forward State-owned Enterprise Reform and internal-external collaboration to raise our efficiency, capability and vitality

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CHINA COMSERVICE

# Thank you!

- The Best of Asia - Icon on Corporate Governance
- Asian Corporate Director

--------by *Corporate Governance Asia*

- Best CEO
- Best CFO
- Best Investor Relations

--------by *Corporate Governance Asia*

- Platinum Award - Excellence in Environmental, Social and Governance
- Best Investor Relations Team Award

--------by *The Asset*

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# Appendix

# Business Revenue Breakdown – By Customers

| (RMB'M) | 2017 | 2018 | Change | Change % |
|---|---|---|---|---|
| **TIS (Telecommunications Infrastructure Services)** | | | | |
| Domestic Operator | 38,649 | 40,325 | 1,676 | 4.3% |
| Domestic Non-operator | 9,710 | 14,646 | 4,936 | 50.8% |
| Overseas Customer | 2,152 | 2,388 | 236 | 11.0% |
| **TIS total** | **50,511** | **57,359** | **6,848** | **13.6%** |
| **BPO (Business Process Outsourcing Services)** | | | | |
| Domestic Operator | 18,926 | 22,270 | 3,344 | 17.7% |
| Domestic Non-operator | 6,513 | 7,697 | 1,184 | 18.2% |
| Overseas Customer | 369 | 253 | -116 | -31.8% |
| **Subtotal (Core BPO)** | **25,808** | **30,220** | **4,412** | **17.1%** |
| Products Distribution | 6,955 | 4,883 | -2,072 | -29.8% |
| **BPO total** | **32,763** | **35,103** | **2,340** | **7.1%** |
| **ACO (Applications, Content and Other Services)** | | | | |
| Domestic Operator | 5,059 | 5,866 | 807 | 15.9% |
| Domestic Non-operator | 5,963 | 7,359 | 1,396 | 23.4% |
| Overseas Customer | 276 | 490 | 214 | 77.2% |
| **ACO total** | **11,298** | **13,715** | **2,417** | **21.4%** |
| **Total** | **94,572** | **106,177** | **11,605** | **12.3%** |

# Domestic Non-operator Market: Smart Society Products of China Comservice

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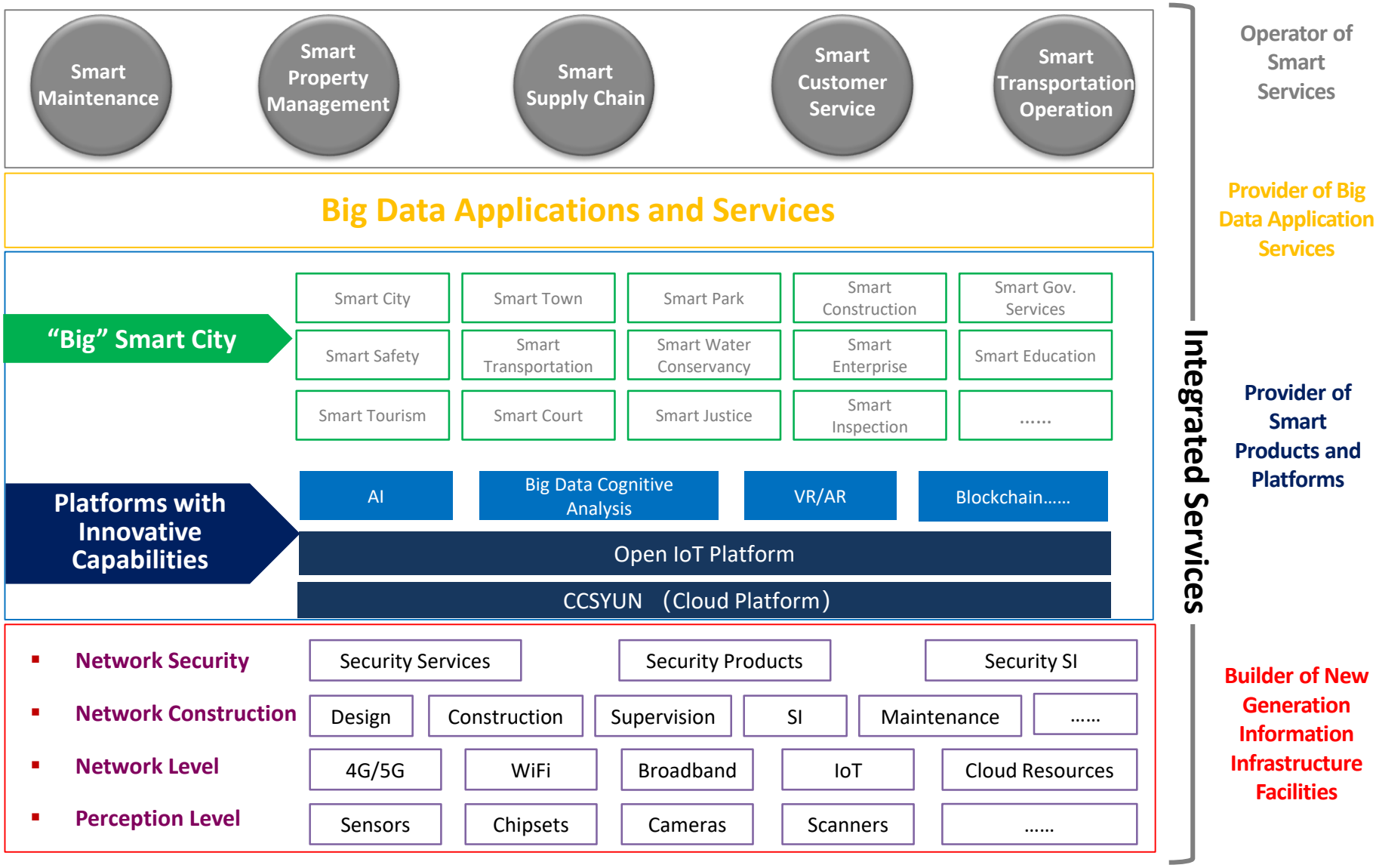

# Smart City – New Form of City Development in the Information Era

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**Facilitate innovation of city management services and development model, a city reconstruction that is led by resources allocation with an emphasis on supply-demand matching and development quality**

## Informatization Technologies

IoT

Cloud Platform

Big Data

## Core Content of Smart City

- A more thorough perception and a more comprehensive interconnection
- Ubiquitous services, efficient and orderly management
- Data open for co-sharing, economic development and green resources
- Promote modernization of city management through digitalization

**Solving Urban Problems**

Service Upgrade

Economic Transformation

City Security

Sustainable Development

**Upgrade City Intelligence**

Refined Management

User-friendly Services

Enhanced Competitiveness

# Smart City – Enriched Top-level Planning and Design Experience

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**Led by top-level design for Smart City and capitalized on CCS Smart City Portfolio, we possess integrated implementation capabilities for complex and professional projects**

**Integrated Implementation**

- Data Centre Integration
- Wide-screen Joint System
- Multi-source Control System
- Gateway Consolidation Application
- Data Exchange Platform
- Multi-media Platform
- United Video Platform
- ……

**Smart City Top-Level Design / Planning & Consultation**

- Smart Industry Electronic Products
- City Operation Management Platform
- Smart Gateway
- Internet+ Capabilities Support Platform
- Public Information Platform
- Basic Database
- Information Infrastructure

**Industry Applications**

- Smart Transportation
- Smart Agriculture
- Smart Water Conservancy
- Smart Community
- Smart Education
- Safe City
- ……

**Already provided superior Smart City top-level consultation solutions to cities of various tiers and the applications are highly recognized by city administrators**

Smart Nanjing

Smart Qianhai

Smart Quanzhou

Smart Kunming

Smart Lake Tai Technology Center

...

# Smart Park

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## Big Data Analysis System

- Run real-time analysis on business data, and provide data for business analysis, guide and navigation, content and facility recommendation
- Provide thematic graphs and forecasts for real-time park area traffics which help decision making

## Energy Consumption Management

- Realize data collection, storage and management of various energy consumption for different types of parks
- Provide energy consumption data analysis, energy-saving diagnosis and control optimization, which save energy and lower operation cost

## Integrated Management System

- Based on Geographic Information System, sub-systems are integrated to visualized management platform to realize coordination and control among systems
- Show statistics such as no. of people in park, access no., electronic payment etc.

## Smart Experience System

- Leverage on AR technologies to enable real-time interaction between users and parks, easier information access and more customized arrangement
- Enable navigation and locating, information access, trip planning and online booking anytime and anywhere, thus enhancing flexibility, comfortability and interest

## One-key Control

- Establish operation model and control strategies based on various parameters, run non-manual automatic operation system by introducing calendar mode
- Run diagnosis and parameters adjustment for an optimized and precise operation, increase automation level to reduce staff and maintenance cost

# Smart Park

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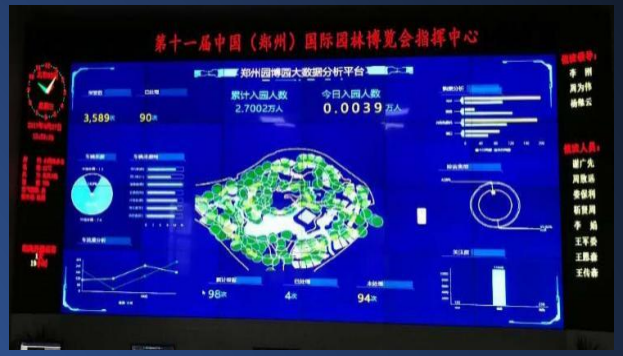
**Application Scenario:**

Applicable for tourist/exhibition parks, start-up/industrial parks, logistic parks, tariff-free zones, etc

## Beijing Expo 2019 "Smart Park" Project

- Provide "Smart Experience Services" and "Refined Scientific Management" to 16 million person-times within a 5km$^2$ park area for the 6-month exhibition period
- The "Smart Park" informatization system will provide comprehensive telecommunications services and information technology support. Advanced technologies such as internet visualization, VR, AR are used to provide services such as display, guiding, etc.

## 2017 Zhengzhou International Garden Expo "Smart Park" Project




- Through the establishment of people-oriented expo system and smart-expo system, intelligent demand for IT infrastructure at parks is satisfied
- Based on highly-precise personnel location, IoT applications and Big Data analysis applications, provide innovative smart guiding services and smart management for exhibition areas/parks

# Open IoT Platform

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**Open IoT platform that is flexible, efficient and safe already supported >30 industry applications, could connect and manage up to 100 million smart devices**

Smart Parking | Smart Home | Environment Monitor | Smart Sewage Cover | ...

Smart Building | Internet of Vehicles | Smart Firefighting | Smart Meter Reading

Open IoT Platform

Application Enablement Platform

Device Management Platform | Business Operations Platform | Big Data

Safety & Security | Data Security | Terminal Safety | Connection Safety

Connectivity Management Platform

Private Cloud | Public Cloud | Hybrid Cloud

NB-IoT | 2G/3G/4G | Wi Fi | ZigBee | LoRa | Bluetooth

# Open IoT Platform

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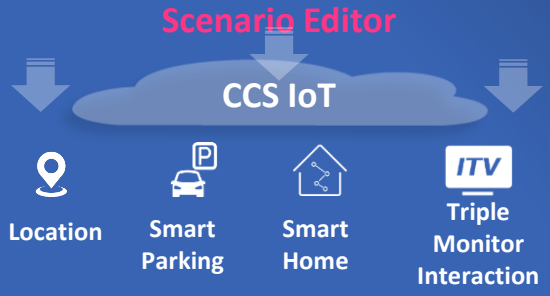
## Significant Achievements:

- ✓ Connect & accommodate >80 categories and > 1000 types of equipment
- ✓ Cooperate with > 200 equipment manufacturers and connect with >30 million equipment
- ✓ Complete application connection services for >50 projects such as Smart Park, Smart Tourism, etc.

### Smart Parking Platform

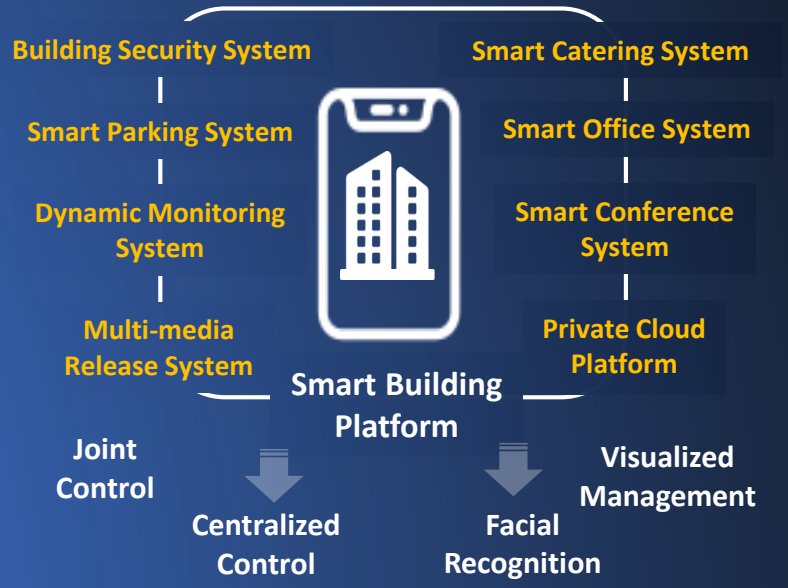
Provide scenario editor that enables interconnection of various equipment from different manufacturers and multi-scenarios. Users could customize scenario settings based on their needs and connect various application scenarios, experience enhanced life quality at the era of IoT




- Automatically open parking lot gate and record attendance
- Automatically recommend navigation route
- Start vehicle-mounted video chat
- Automatically start and tune home appliances such as air purifier, AC , lights, etc.
- Community parking lot gate automatically open upon entrance
- Facial recognition at the cloud platform to open unit door
- ……

### Smart Building Management Platform

Various IoT applications such as Smart Safety, Smart Parking, Smart Catering, Smart Entrance, News Release and Dynamic Monitor provided by different manufacturers are all based on the platform's public capabilities, enabling multi-application connection, data exchange and smart building management



# Forward-looking Statements

The Company would like to caution readers about the forward-looking nature of certain statements herein. These forward-looking statements are subject to risks, uncertainties and assumptions, which are beyond its control. Potential risks and uncertainties include those concerning the growth of the telecommunications industry in China, the development of the regulatory environment, and our ability to successfully execute our business strategies. In addition, these forward-looking statements reflect the Company's current views with respect to future events and are not a guarantee of future performance. The Company does not intend to update these forward-looking statements. Actual result may differ materially from the information contained in the forward-looking statements as a result of a number of factors.