

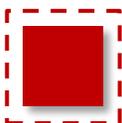
## 2022 Annual Results

29 March 2023

# ACHIEVE HIGH-QUALITY DEVELOPMENT

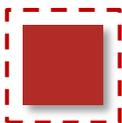
# FORGE NEW GROWTH CURVE





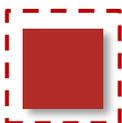
*EXECUTIVE DIRECTOR,  
CHAIRMAN*

*MR. LIU GUIQING*



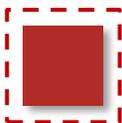
*EXECUTIVE DIRECTOR,  
PRESIDENT*

*MR. YAN DONG*



*EXECUTIVE VICE PRESIDENT*

*MR. LIANG SHIPING*

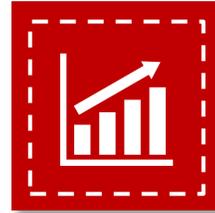


*EXECUTIVE DIRECTOR,  
EXECUTIVE VICE PRESIDENT & CFO*

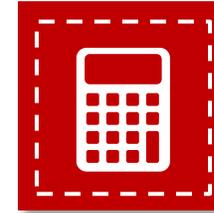
*MS. ZHANG XU*



Overview



Business Review

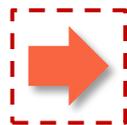


Financial Results



# *Overview*

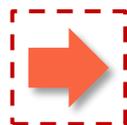




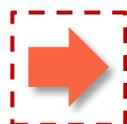
**Overall results reached a record high by penetrating markets, overcoming difficulties, innovating and transforming**



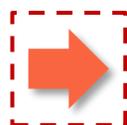
**Major indicators improved across the board, with gross profit margin stabilized and recovered**



**Industrial digitalization businesses achieved relatively fast growth, reaping the results of technology R&D**



**Proactively enhance shareholders' return, with dividend reaching double-digit growth**



**Accelerate the deployment in Digital China and forge the second growth curve**

# Results Overview (1): Achieved High-quality Operating Results

**Both Revenue and Net Profit Scale Hit Historical High  
Major Indicators of Operating Results, Efficiency and  
Shareholders' Return Improved Across the Board**

(RMB'M, except EPS and DPS)

	2021	2022	Change
Revenue	133,991	140,746	↑ 5.0%
Gross Profit Margin (%)	11.0%	11.4%	↑ 0.4pp
Net Profit <sup>1</sup>	3,157	3,358	↑ 6.4%
Net Profit Margin (%)	2.36%	2.39%	↑ 0.03pp
Free Cash Flow <sup>2</sup>	4,060	4,353	↑ 7.2%
ROE (%)	8.4%	8.5%	↑ 0.1pp
EPS (RMB)	0.456	0.485	↑ 6.4%
DPS (RMB)	0.1732	0.1939	↑ 12.0%

**Gross Profit Margin  
Stopped Declining and  
Rebounded for the First Time  
in 10+ years**

**Net Profit Growth  
Higher than  
Revenue Growth**

**Net Profit Margin  
Stabilized and  
Improved**

**Free Cash Flow  
Higher than  
Net Profit**

**ROE  
Stabilized and  
Rebounded**

**Dividend  
Double-digit Growth**

(1) In this material, net profit refers to profit attributable to equity shareholders of the Company.

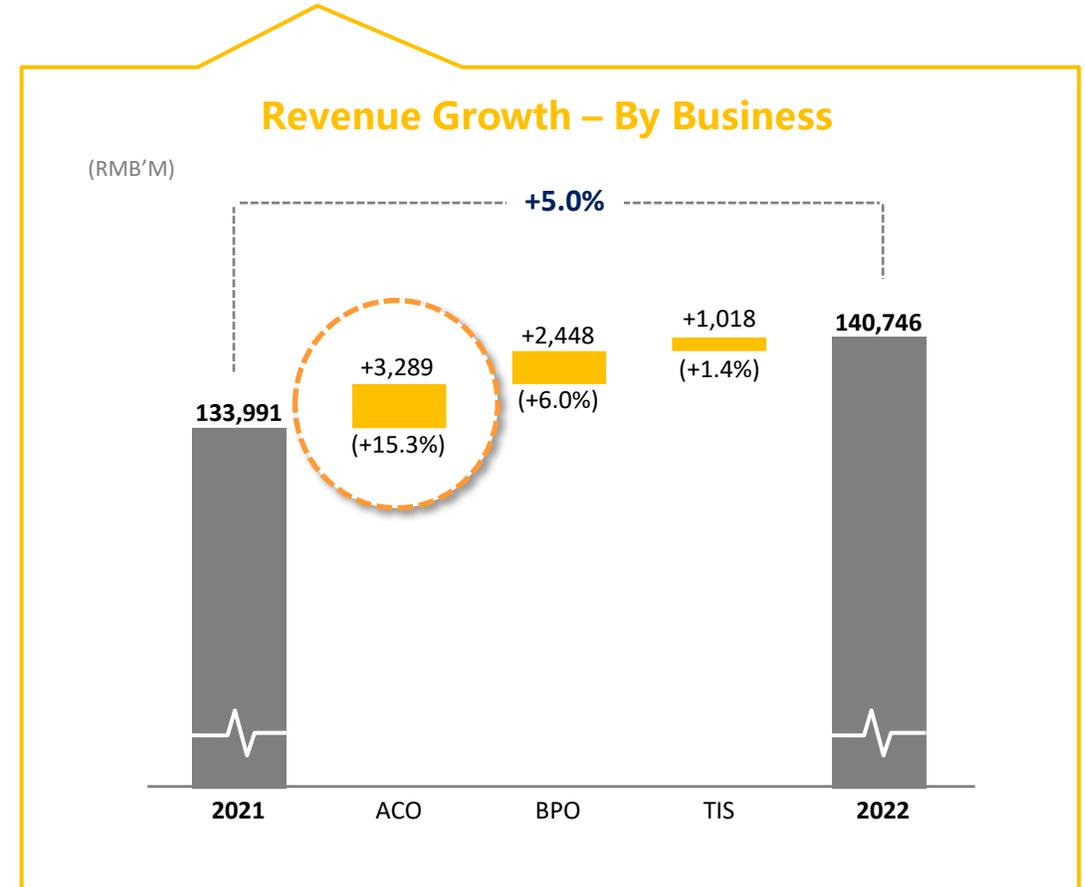
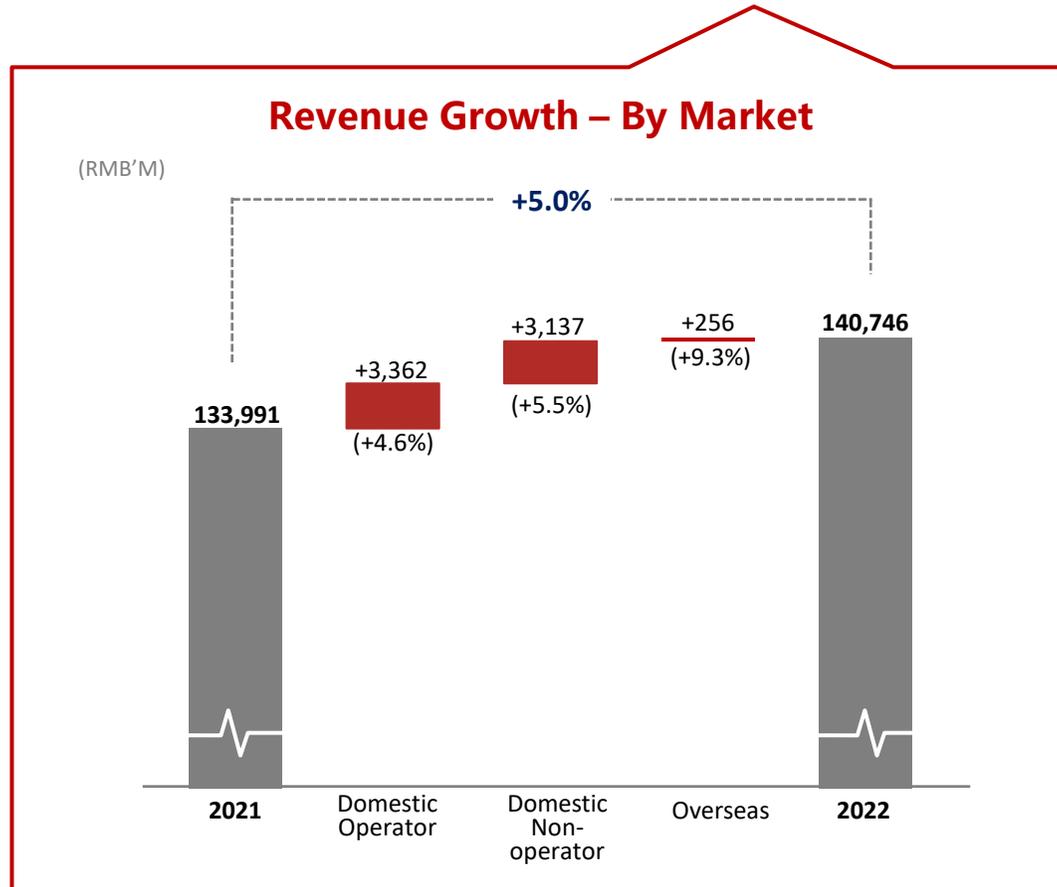
(2) Free cash flow = profit for the year + depreciation & amortization – changes in working capital – CAPEX

Note: unless specified, all amounts are in RMB in this material.

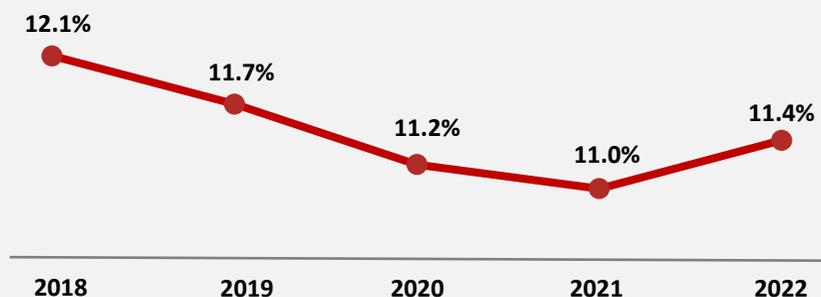
## Seized Opportunities from Digital Economy and Digital Information Infrastructure Construction

### All Three Markets Achieved Growth

Driven by Industrial Digitalization, ACO Business Continued to be the Largest Revenue Growth Driver



Gross Profit Margin Stopped Declining  
Rebounded for the First Time in 10+ Years



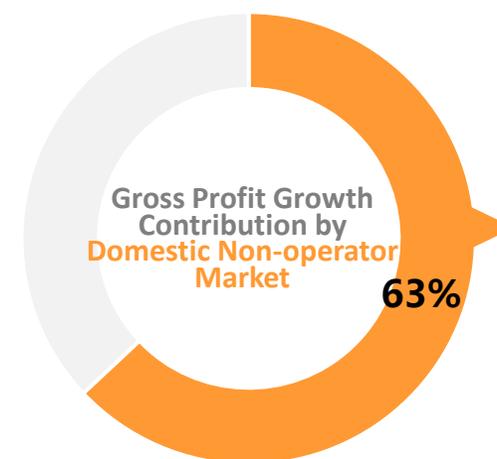
## Pursuing High-quality Development Striving for Costs Reduction and Efficiency Enhancement

- **Market side:** Further developed high-value businesses and high margin projects
- **Delivery side:** Strengthened subcontracting management, centralized procurement and project management
- **Management side:** Optimized appraisal and incentives mechanisms, enhanced positive guidance

## Gross Profit Margin of Domestic Non-operator Market Showed Strong Rebound, Driving the Improvement of Overall Gross Profit Margin

2022

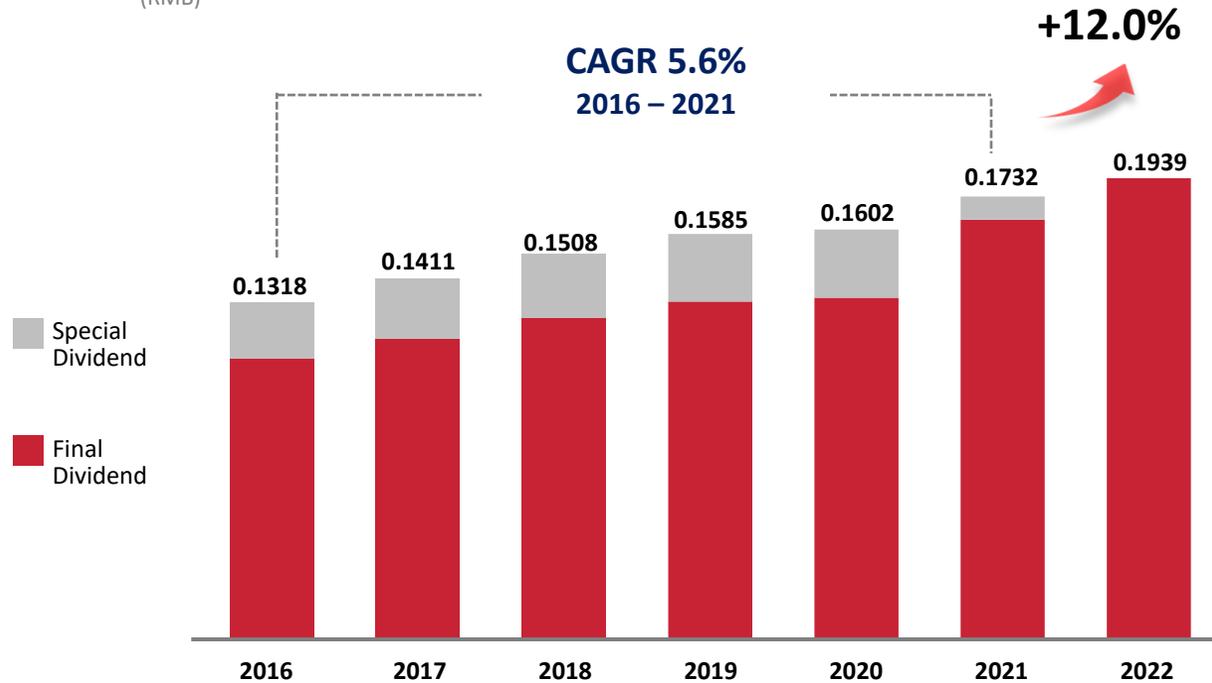
Revenue Growth vs Gross Profit Growth



Domestic Non-operator Market was the Largest Contributor of Overall Gross Profit Growth

## Dividend per Share

(RMB)



- ✓ Pay a sustainable and relatively stable dividend
- ✓ Increase dividend appropriately after considering its results, cash flow and future development needs
- ✓ Strive to increase shareholders' returns steadily and consistently, and shareholders could share the results of the Company's development and reform

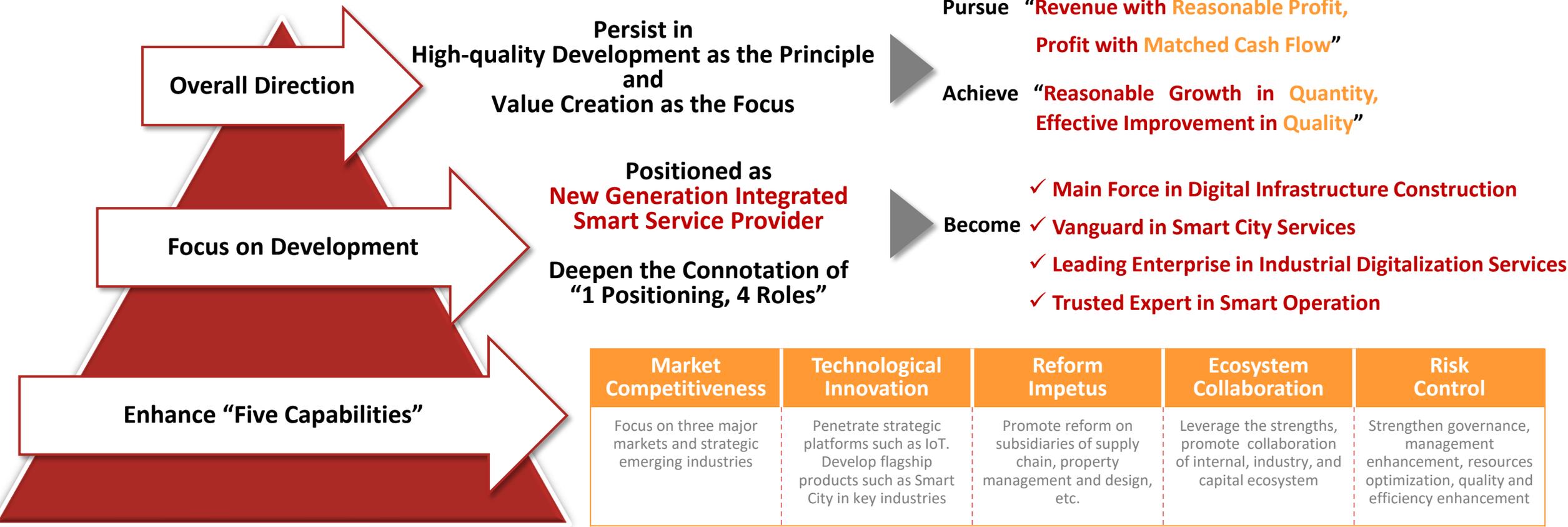
### The Board recommends:

- Increase commitment to shareholders' return by optimizing dividend policy, normalizing special dividend in the past, and increasing final dividend payout ratio
- Total dividend payout ratio: **continued to increase by 2pp to 40%**
- Total dividend: **RMB0.1939 per share, up 12.0% yoy**

Dividend Payout Ratio(%)	2016	2017	2018	2019	2020	2021	2022
Final	30%	30%	30%	30%	36%	36%	<b>40%</b>
Special	6%	6%	6%	6%	2%	2%	-
Total	36%	36%	36%	36%	38%	38%	<b>40%</b>

Seized the Opportunities from **Digital China and Industrial Digitalization**, Focus on Strategic Emerging Industries including **Digital Infrastructure, Smart City, Green and Low-carbon, Emergency Management and Security**

## “First-class Smart Service Innovative Enterprise”



## ✓ Customer and Market Demand Oriented, Focus on R&D Investment to Develop Core Products

R&D expenses in 2022 amounted to ~ RMB5 bn, up 17% yoy; R&D investment (cumulative since “13th Five-Year Plan” Period) amounted to ~ RMB25 bn

### R&D Investment in Industrial Digitalization Applications : 3.0+bn

Digital Government | Smart Village & Community | Smart Park | Smart Transportation | Smart Education | Smart Sport .....

### Cybersecurity: 0.3+bn

Product for Cyberspace Asset Surveying and Mapping  
Platform for Security Operation  
Product for Data Security Monitoring  
Product for Commercial Password Modification  
.....

### Emergency Management : 0.2+bn

Product for Emergency Management & Rescue Command  
Product for Safe Production  
Product for Park Safety and Monitoring  
Product for Natural Disaster Early Warning  
.....

### Digital Infrastructure + Dual Carbon: 0.6+bn

### R&D Middle Platform + IoT Platform + Blockchain Platform + Industrial AI Platform : 0.6+bn

## ✓ R&D Investment Facilitated Development

- Smart City New Contracts > RMB10 bn
- Digital Infrastructure New Contracts > RMB10 bn
- Cybersecurity New Contracts Reached RMB3.1 bn
- Emergency Management New Contracts Reached RMB1.3 bn
- Software Development and System Support Revenue Increased >31% yoy
- .....

## ✓ Technological Innovation Recognized by Industry

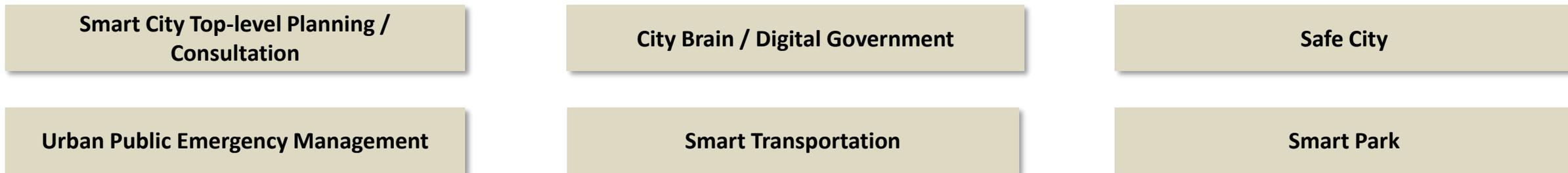
- Ranked 4th in China Software 100 in 2022
- Many provincial and ministerial level pilot projects were recognized with science and technology awards



(1) China Software 100 refers to the "100 Most Competitive Software & IT Services Enterprises", an award organized by China Federation of Electronics and Information Industry.

 **Results: 2022 Smart City New Contracts Amounted to RMB16.7 bn, ▲35%**

### Consultation + General Contracting + Software + Platform + Service



**Government Data Brain and Smart City IOC Construction Project in a City**



- Smart City Intelligent Operations Center (IOC) as a base for digitalization of government services, featuring storage over network and service over platform

**Digital Road Intelligentization Project for a District in Xiong'an**



- The case of the city-wide intelligent sensing digital road, the first vehicle-road collaboration at city-level, covering an area of 17 km<sup>2</sup> and 153 km of roads

**Emergency Command Collaboration Capability Enhancement Project in a Province**



- "Cloud + Big Data + IoT + ICT" general contracting, serving more than 30,000 enterprises with supervision services in the province; the efficiency of risk monitoring and early warning improved by 20%, and cloud-based deployment saved nearly 30% of costs

**Security Consultation and Design Project in a City**



- An important component of the "city brain", creating a visual hub for the city brain, with 34,000 new front-ends, nearly 100 AI algorithms and more than 50 models of fusion of IoT and information networks

**Smart Park Management Platform Project for a Development Zone in a City**



- "1+1+4" structure, 1 digital base for economic and technological development zone, 1 comprehensive operation management center, 4 government affairs and public service applications

 **Results: 2022 Data Center New Contracts over RMB10 bn (RMB14.1 bn, ▲23%)**

Provide Full Life Cycle Services for IDC Construction, Devoted to be the Front-Runner of Integrated General Contractor for Cloud Computing and IDC

No. of Racks built >1 million; Covering the 8 Hubs、10 Clusters for "East-To-West Computing Resources Transfer"

**Integrated General Contracting / General Integration/ Maintenance and Operation**

Full Cycle Consultation

Full Life Cycle

Supercomputing Center /  
 Cloud Computing

Green and Low-carbon

Supercomputing Cloud Center  
 Project in a City



- The first garden ecological machine room hall featuring the lowest PUE in China (PUE as low as 1.09)
- The first "Edge-Cloud-Super Three-in-one" computing framework of supercomputing, cloud computing and edge computing
- Design + electromechanical general contracting

Digital Qinghai "Zero Carbon" Big  
 Data Center Project



- The first "Zero Carbon" smart data center in China which introduced 100% clean energy; Optical storage and charging to achieve the "flattening the peak and filling the valley"
- EPC general contracting

Big Data Industrial Park for a New  
 District in a City



- Located in one of the eight national computing hubs of the national data center, with a gross floor area of 48,000+m<sup>2</sup> and 7,000+ cabinets
- PC general contracting

Government Affairs Cloud  
 Construction, Operation and  
 Maintenance Project in a City



- The city super brain base platform
- Building smart city base capability platform to support numerous smart city applications

Low-carbon Big Data Center for a  
 Customer



- Construction of 1188 IT racks, the first big data center in Hubei province leveraging natural water cooling to substitute electricity for cooling the machine room
- PUE value≤1.2

✓ Results: 2022 Dual Carbon (Electricity+) New Contracts **over RMB10 bn (RMB10.4bn, ▲39%)**

Focus on 4 Major Industries

- Energy and Electricity
- Information and Communications
- Industrial Manufacturing
- Transportation

Develop 5 Major Businesses

- New Infrastructure Energy-saving
- New Energy Construction
- Energy-saving and Carbon-reduction Platform
- Energy Management Contract
- Consultation Service and Training Certification

Data Center Energy-saving and Upgrade Project for a Client in Beijing



- Integrated services of consultation, design, construction, operation and maintenance
- Energy consumption reduced by 20.5%, PUE reduced to 1.235, saved 26.23 million kWh electricity consumption annually after renovation

Distributed Photovoltaic Power Generation Project for a Plant in Shenyang, Liaoning Province



- Building-integrated photovoltaics exemplary project, using photovoltaic parking shed and BIM technology
- The average annual electricity generation equivalent to 7,223 tons of standard coal, reducing carbon dioxide emissions by 18,003 tons with significant environmental benefits
- EPC general contracting

Smart Energy Management Platform for an International Airport



- The first smart energy management airport in China
- Reduced energy consumption by >27.1%,
- Saved standard coal by > 3,111 tons
- Reduced carbon emissions by > 7,558 tons

Energy Consumption Monitoring Industrial Internet Platform in a City

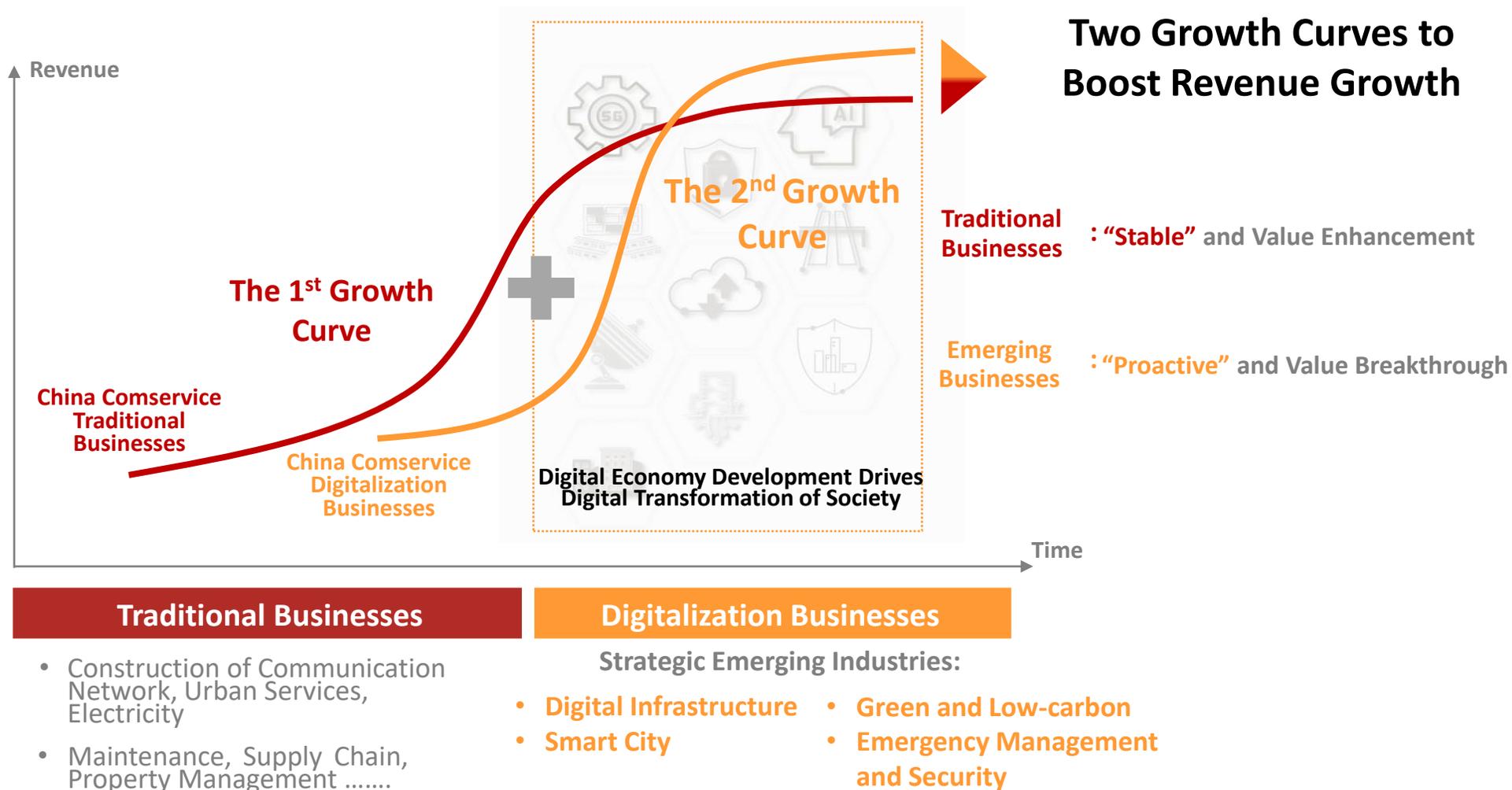


- Energy consumption monitoring of 210 enterprises in a city, saving nearly 100,000 tons of coal consumption

## “Guideline on Building a Digital China”

- **Interconnecting Digital Infrastructure**
- **Building a Trustworthy and Controllable Digital Security Wall**
- **Empowering the Development of the Economy and Society**
  - Digital Economy
  - Digital Government Affairs
  - Digital Culture
  - Digital Society
  - Digital Ecological Civilization
- .....

## Seize Opportunities from Deep Integration of Digital Economy and Real Economy Forge Domestic and International Dual-circulation to Promote Long-term Sustainable Development





## ***Growth Catalysts:***

**Digital China and Industrial Digitalization** will bring sustainable and enormous room of development. Our core competitiveness **has been strengthening**, and the proportion of our strategic emerging businesses **has been increasing**.



## ***Profit Outlook:***

Gross profit margin **has bottomed out and rebounded**, and profitability and ROE **have been improving**.



## ***Cash Flow:***

Healthy free cash flow **has been maintained** at a level **above** net profit in recent years.



## ***Enterprise Valuation:***

Traditional businesses will achieve stable growth with efficiency improvement while emerging businesses will grow fast with a focus on high-value sectors, our high-quality development will bring **important opportunity for valuation enhancement**.



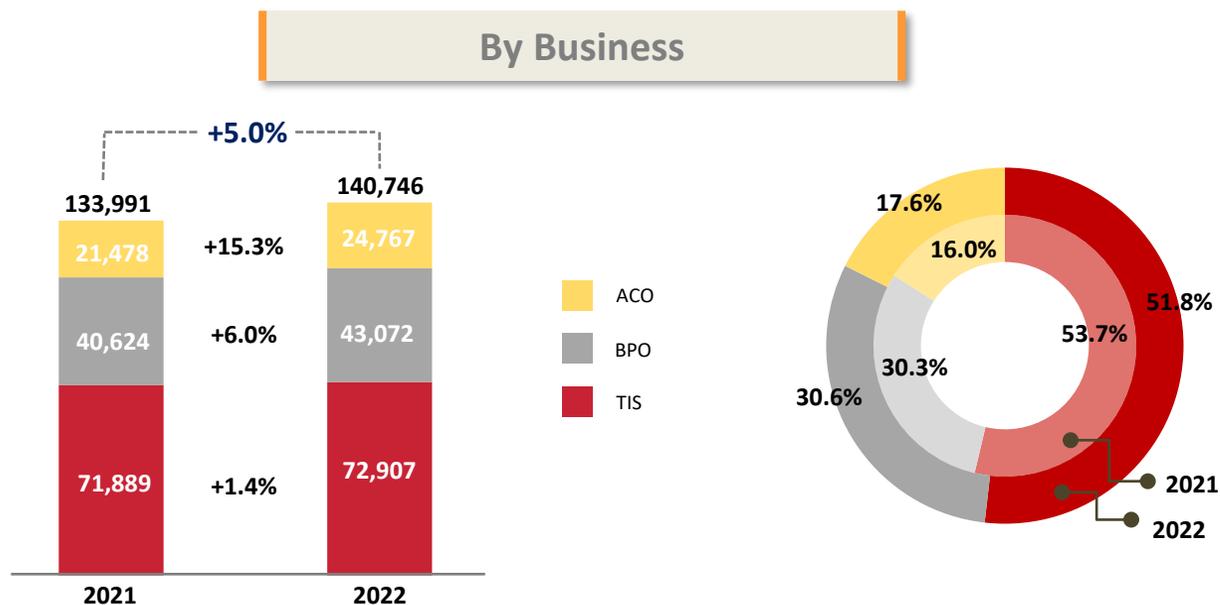
*Business  
Review*



(RMB'M)	2021	2022	Change %	% of Revenue
<b>TIS (Telecommunications Infrastructure Services)</b>				
Design	10,521	9,621	-8.6%	6.8%
Construction	57,310	59,232	3.4%	42.1%
Supervision	4,058	4,054	-0.1%	2.9%
<b>Subtotal</b>	<b>71,889</b>	<b>72,907</b>	<b>1.4%</b>	<b>51.8%</b>
<b>BPO (Business Process Outsourcing Services)</b>				
Maintenance	16,678	18,158	8.9%	12.9%
Facilities Management	7,127	7,740	8.6%	5.5%
Supply Chain	11,964	12,849	7.4%	9.1%
Products Distribution	4,855	4,325	-10.9%	3.1%
<b>Subtotal</b>	<b>40,624</b>	<b>43,072</b>	<b>6.0%</b>	<b>30.6%</b>
<b>ACO (Applications, Content and Other Services)</b>				
System Integration	13,278	15,211	14.6%	10.8%
Software Development & System Support	3,634	4,781	31.6%	3.4%
Value-add Services	2,386	2,554	7.0%	1.8%
Others	2,180	2,221	1.9%	1.6%
<b>Subtotal</b>	<b>21,478</b>	<b>24,767</b>	<b>15.3%</b>	<b>17.6%</b>
<b>Total</b>	<b>133,991</b>	<b>140,746</b>	<b>5.0%</b>	<b>100%</b>

## By Business

(RMB'M)



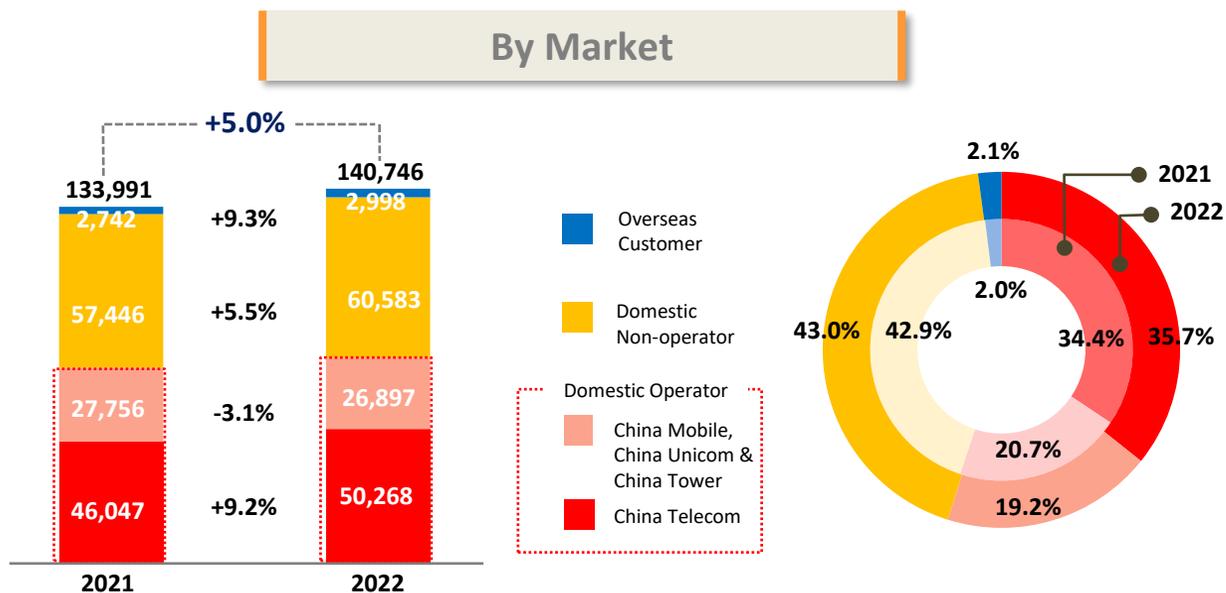
### Business Structure

Portion of revenue from ACO business continued to rise and reached 17.6%

Strengthened the Technological Innovation Capability to Drive Business Growth

## By Market

(RMB'M)



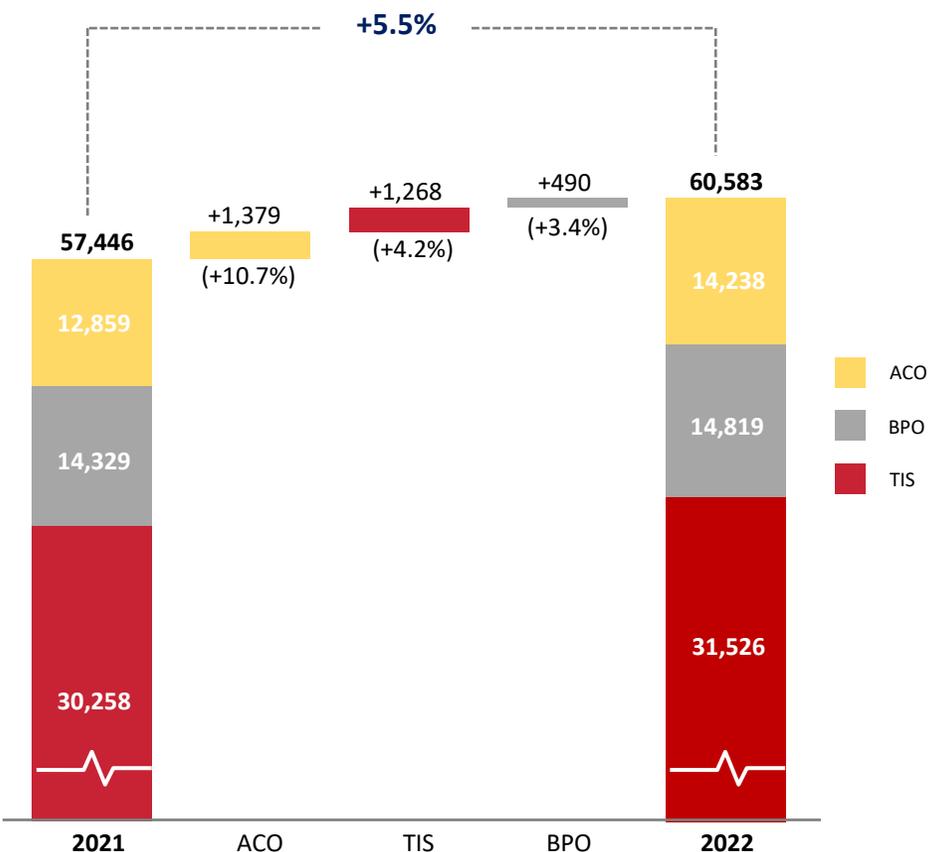
### Market Structure

Portion of revenue from operator and non-operator (Domestic non-operator + Overseas market) Each accounted for approximately 50%

Two Motivators to Drive Revenue Growth

## Revenue Growth Drivers

(RMB'M)



## Focused on the Opportunities from Digital Transformation of Society and Industrial Digitalization

Domestic Non-operator Market Recorded Stable Growth, Revenue **+5.5% yoy**

Gross Profit Margin Improved Significantly, Gross Profit **+14.2% yoy**

Seized Enormous Digital Economy Opportunities, Strengthened Market Expansion to Drive High-quality Development

### Strategic Emerging Industries

- **Digital Infrastructure**

Build the advantages of “Consultation and Design + General Contracting + Integration + Operation and Maintenance”, focus on Data Center, 5G/ Industrial Internet, New Energy, etc., and seize the strategic opportunities of “East-To-West Computing Resources Transfer”

- **Smart City**

Capitalize on the advantages of “Consultation + Software + Platform + Service”, leverage its benchmark cases of medium to large-scale smart cities as the lead, target the county market and focus on new urbanization construction and other demands

- **Green and Low-carbon**

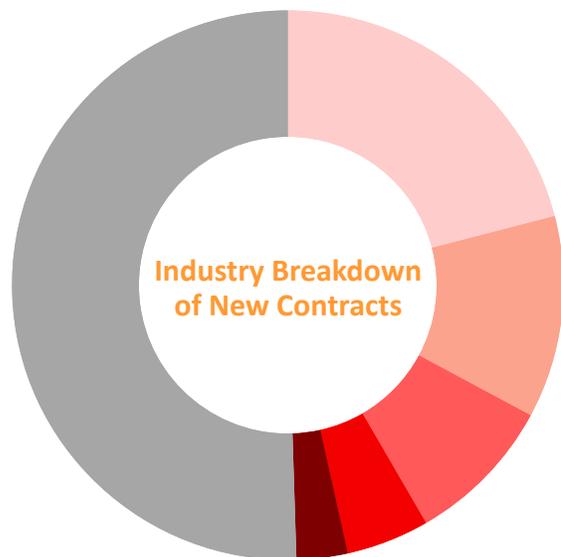
Accelerate the build up of service capabilities for Dual Carbon products and solutions, focus on four industries, and improve the service, consulting and management capabilities of Dual Carbon Smart Platform

- **Emergency Management and Security**

Center on the proprietary product strengths to accelerate the deployment of resources and products, and provide quality services to customers with “Products + Services + Ecosystem”

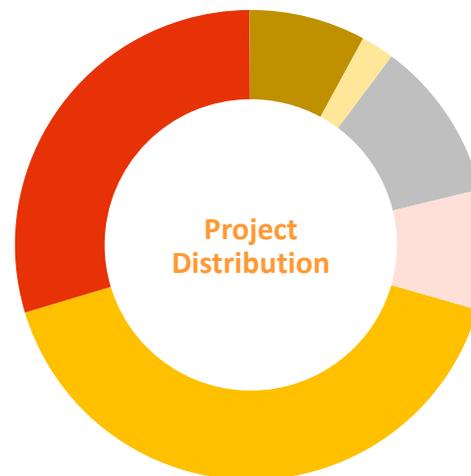
# Domestic Non-operator Market (2/2): Achieved Good Results in Penetrating Focused Areas

2022 New Contracts in Domestic Non-operator Market Amounted to **>RMB82.2 bn** Increased by **~8% yoy**



- Government
- Construction
- Internet & IT
- Transportation
- Electricity
- Other Industries <sup>(1)</sup>

2022 New Projects with Size over RMB100 million Amounted to **>RMB7 bn** Increased by **~15% yoy**



In which

- Construction
- Government
- Campus
- Transportation
- Cloud Computing, Data Center
- Informatization Infrastructure Construction Projects

(1) Other industries include SMEs, finance, education, manufacturing, water conservancy, agriculture etc

### Signature Projects Related to Industrial Digitalization, Smart City

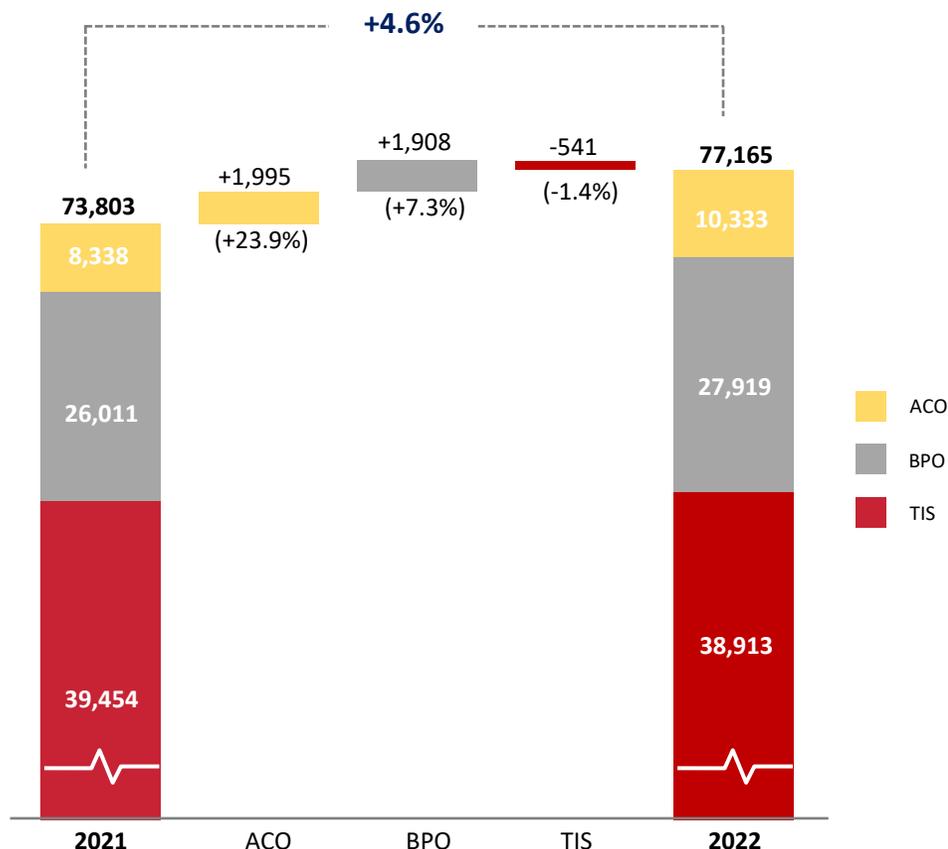
<b>Government</b>	<ul style="list-style-type: none"> <li>• Government Affairs Data Brain and Smart City Intelligent Operation Center (IOC) Construction Project for a City in Guangdong Province</li> <li>• Convenient Service Center Intelligentization Project for a City in Zhejiang Province</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Customs Clearance Intelligent Informatization Project for a Port and Comprehensive Transportation Hub Development Project in Guangdong–Hong Kong–Macao Greater Bay Area</li> <li>• Digital Road Intelligentization Project for a District in Xiong’an</li> </ul>
<b>Park</b>	<ul style="list-style-type: none"> <li>• Smart Park Platform Service Project for an Industrial Park in Chongqing Municipality</li> <li>• Phase 5 Intelligentization Project for a Park in Hangzhou City, Zhejiang Province</li> </ul>

### Signature Projects of Cloud Computing and Data Center

<b>Government</b>	<ul style="list-style-type: none"> <li>• IDC Project for a Big Data Industrial Park in Lanzhou, Gansu Province</li> <li>• Supercomputing Cloud Center Project in a City</li> </ul>
<b>Energy and Electricity</b>	<ul style="list-style-type: none"> <li>• Distributed Energy Station No.1 Cold Station and Data Room General Contracting Project of a University in Guangdong Province</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Financial Technology Center Project for a Bank in the New District of Horing, Inner Mongolia</li> </ul>
<b>Internet &amp; IT</b>	<ul style="list-style-type: none"> <li>• Big Data Analytic System Services Project of a Technology Company in Guangdong Province</li> <li>• “International Data Transmission Hub” Project for a Node, Guangdong–Hong Kong–Macao Greater Bay Area</li> </ul>
<b>Information and Communications</b>	<ul style="list-style-type: none"> <li>• Big Data Processing Project Phase I General Contracting of a Domestic Operator in Hangzhou City, Zhejiang Province</li> <li>• Digital Qinghai “Zero Carbon” Big Data Center Project in Qinghai Province</li> </ul>

## Revenue Growth Drivers

(RMB'M)



## After the Peak of 5G Investment, Grasped the New Growth Momentum such as Industrial Digitalization

Revenue of Domestic Operator Market Grew by **4.6%** yoy, Maintaining Relatively Steady Growth (2021: **+5.5%**)

Persisted in “CAPEX + OPEX + Smart Applications” Development Strategy

Improve the Quality and Efficiency of Traditional Businesses



Actively Deploy in the Industrial Digitalization Sector

### Penetrate Traditional Business Sector

- Penetrate traditional businesses such as cloud-network construction, integrated installation and maintenance
- Enhance the internal digital upgrade and reform to improve efficiency

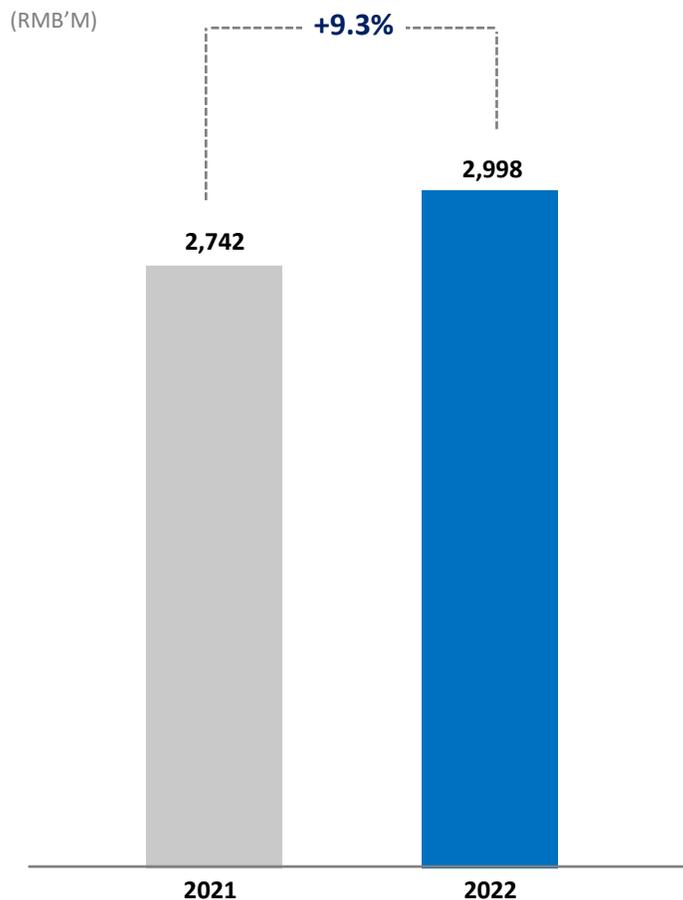
### Create New Growth Catalysts in Emerging Sector

- Collaborate with domestic operators to expand into the industrial digitalization sector
- Digitalization of new infrastructure facilities, cloud migration, etc.

### Assist Domestic Operators on Green and Low-carbon

- Zero carbon data center, green retrofit of old machine rooms
- Dual carbon and energy-saving platform and dual carbon business training

Revenue from Overseas Market



Steady Progress in the Implementation of Overseas Projects, Including Electricity, New Energy and Communications Projects in Saudi Arabia and the UAE, as well as Other Projects in Philippines and Other Regions

Overseas Business **Stabilized and Rebounded** (2021: -11.4%)

Opportunities

Steady Growth in Overseas Investment by Chinese Companies, Strong Demand from Digital Economy along the "Belt & Road" .....

Focus on High-quality Regions

- Asia Pacific, the Middle East and other regions
- Southeast Asia, Saudi Arabia and other bases

Focus on Core Businesses

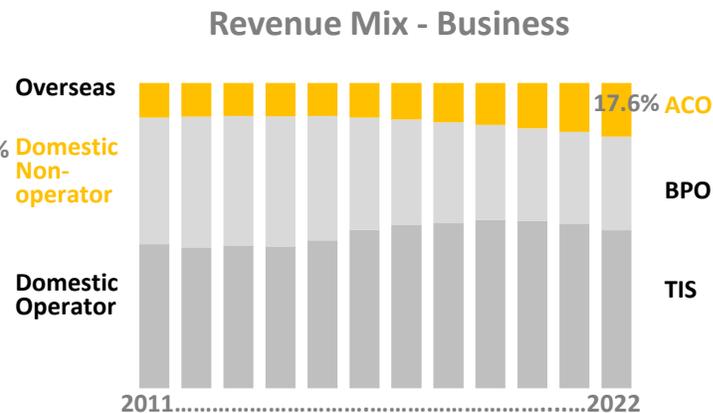
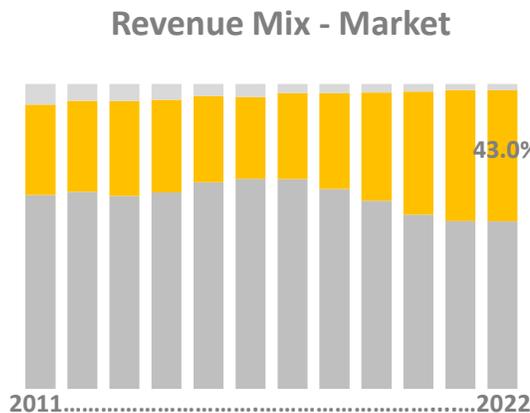
- Digital infrastructure
- Data center
- Electricity and new energy
- Smart products and services

Achieve Safe and Effective Development

- Exit from high-risk regions
- Continue to optimize the safety and risk prevention system

## Adhering to the Overall Roadmap of “Value-driven, Seeking Steady yet Progressive Growth and High-quality Development”

### Realizing Steady Growth in Operating Results



Indicators	Targets during “14th Five-Year Plan”	Completion Status in 2022
Revenue	Maintain Steady Growth	✓
Structure	% of High-value Business Increase Steadily	✓
Gross Profit Margin	Gradually Stabilize and Rebound	✓
Shareholders’ Return	Increase Steadily	✓

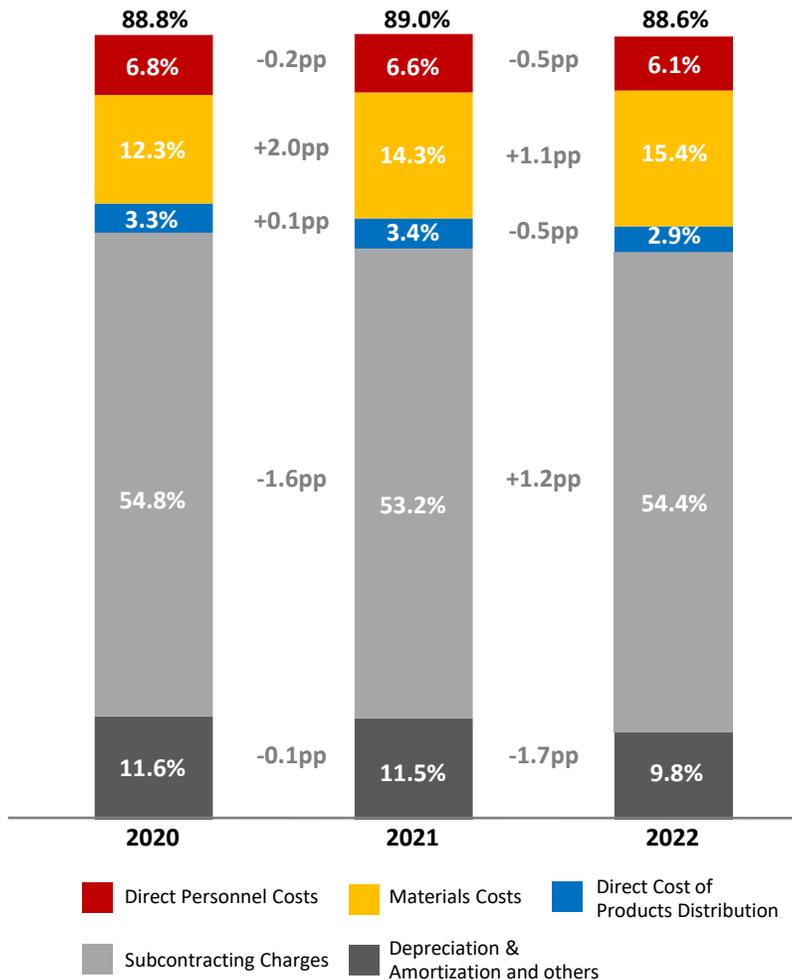


*Financial  
Results*



(RMB'M)	2021	2022	Change %	% of Revenue
<b>Revenue</b>	<b>133,991</b>	<b>140,746</b>	<b>5.0%</b>	<b>100%</b>
<b>Cost of Revenue</b>	<b>119,207</b>	<b>124,765</b>	<b>4.7%</b>	<b>88.6%</b>
Direct Personnel Costs	8,805	8,558	-2.8%	6.1%
Materials Costs	19,166	21,657	13.0%	15.4%
Direct Cost of Products Distribution	4,614	4,065	-11.9%	2.9%
Subcontracting Charges	71,240	76,546	7.4%	54.4%
Depreciation and Amortization	908	961	5.8%	0.7%
Others	14,474	12,978	-10.3%	9.1%
<b>Gross Profit</b>	<b>14,784</b>	<b>15,981</b>	<b>8.1%</b>	<b>11.4%</b>
<b>SG&amp;A Expenses</b>	<b>12,952</b>	<b>13,960</b>	<b>7.8%</b>	<b>9.9%</b>
<b>Net Profit</b>	<b>3,157</b>	<b>3,358</b>	<b>6.4%</b>	<b>2.4%</b>
<b>EPS(RMB)</b>	<b>0.456</b>	<b>0.485</b>	<b>6.4%</b>	-
<b>Free Cash Flow</b>	<b>4,060</b>	<b>4,353</b>	<b>7.2%</b>	-

Cost of Revenue as a % of Revenue



## Through Comprehensively Strengthening Cost Management, Including Whole Process Project Management, Subcontracting Management, Centralized Procurement, Subdivision Assessment and Digital Management, Dedicated to Control Costs

### Direct Personnel Costs

- Controlled total staff number to enhance labour productivity

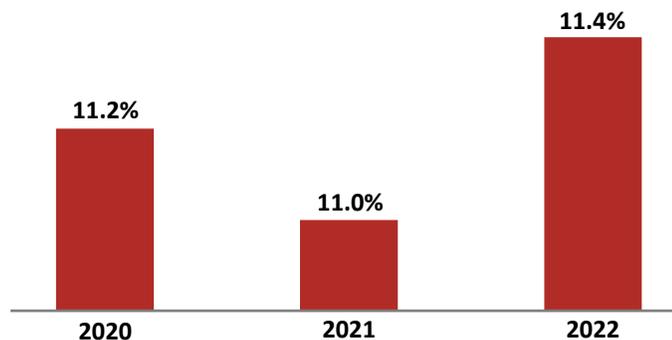
### Materials Costs

- Business model transformation (undertook major projects with general contracting model proactively) and rapid growth of system integration businesses drove relatively fast increase in materials costs. Strengthened the control of materials costs by digitalizing procurement system and implementing centralized procurement, etc.

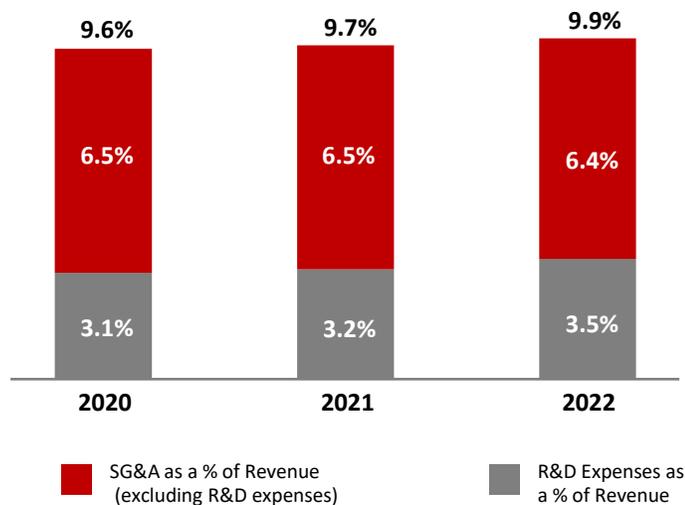
### Subcontracting Charges

- Through optimizing management system, improving IT system, strengthening costs analysis, compressing the number of subcontractors, enhanced full-process management on subcontracting to control subcontracting costs

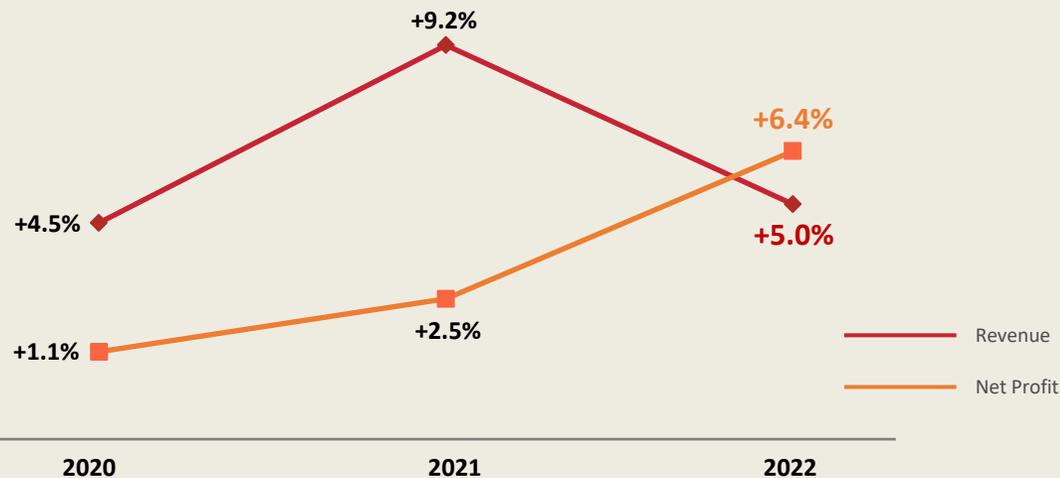
## Gross Profit Margin



## SG&A Expenses as a % of Revenue



## Revenue and Net Profit Growth

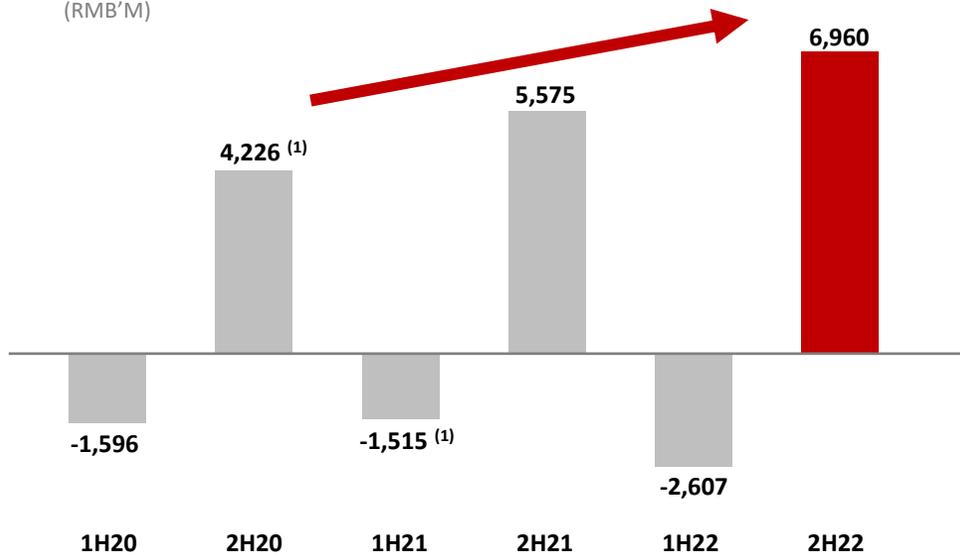


- Elevated business value and controlled operating costs, gross profit margin rebounded and reversed downward trend
- Continued to scale up technology R&D investment to enhance core competitiveness. R&D expenses as a percentage of revenue increased to 3.5%
- Strengthened control on SG&A expenses. SG&A as a percentage of revenue (excluding R&D expenses) dropped to 6.4%

- **Operating efficiency improved significantly. Operating profit (gross profit – SG&A) increased by 10.2% yoy**
- **Net profit growth accelerated and higher than revenue growth**

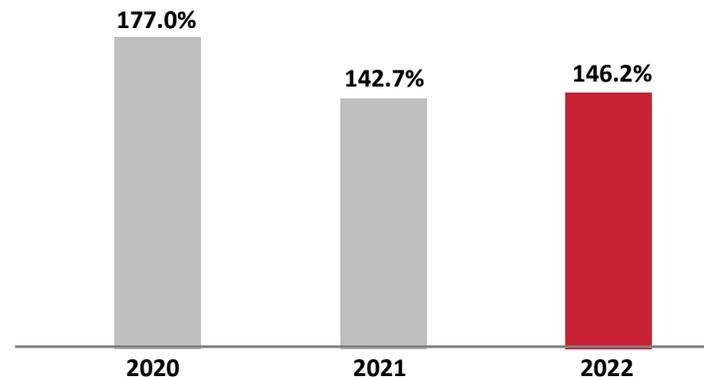
## Free Cash Flow

(RMB'M)



## Cash Conversion Ratio<sup>(2)</sup>

(%)

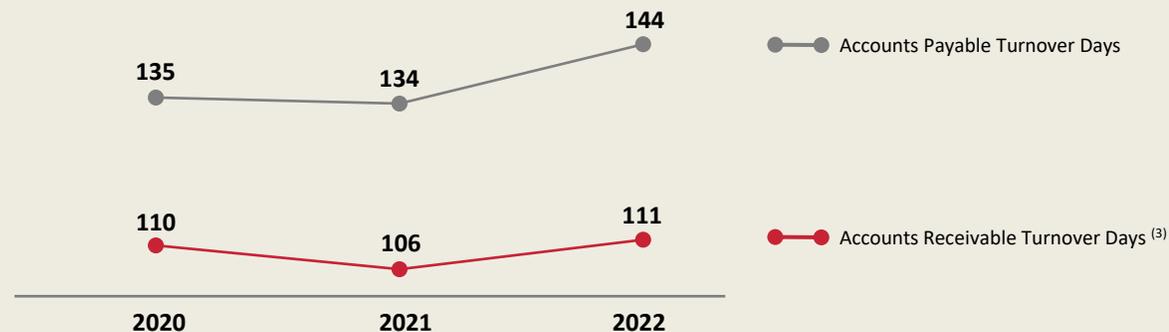


**Amid the Challenging Economic Environment, Cash Flow Continued to Increase Relative Notably, Demonstrating our Strong Management Capability**

- Free cash flow in 2H22 improved significantly. Free cash flow for FY22 amounted to RMB4.35 billion
- Cash conversion ratio continued to stay at a healthy level

## Effective Control on Accounts Receivables

- Refined the mechanism for the appraisal, reward and punishment of accounts receivables management
- Utilized digitalization means to enhance accounts receivable analysis and early warning capability
- Continuously emphasized the management of long-term accounts receivables



(1) The Company acquired a property in 2020 to serve as the bases for the smart production, operation and R&D, and made a payment of RMB2,527 million in 2020 and a balance payment of RMB663 million in 2021 respectively.

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

(3) The amount of accounts receivable is the sum of "Accounts and bills receivable, net" and "Contract assets, net" in financial statements. For details, please refer to financial statements.

**Solid Financial Position is Favourable for the Company to Capture Opportunities from **Digital China and Industrial Digitalization** as well as Facilitating the Long-term Sustainable Development**

(RMB'M)	31.12.2021	31.12.2022
<b>Total Assets</b>	100,028	110,264
In which: Cash and Deposits <sup>(1)</sup>	23,528	24,254
Accounts Receivable and Contract Assets	39,789	45,579
<b>Total Liabilities</b>	60,418	68,641
In which: Accounts Payable and Contract Liabilities	47,769	55,479
Interest-bearing Liabilities	813	881
<b>Equity Attributable to Equity Shareholders</b>	38,407	40,359
<b>Total Liabilities/Total Assets (%)</b>	60.4%	62.3%
<b>Debt-to-Capitalization Ratio (%)</b>	2.1%	2.1%

***Thank you!***

***Institutional Investor***

**“2022 Asia Executive Team Rankings”**

- Most Honored Company
- Rank 1st in the Overall (Small & Midcap) category rankings in the telecommunications sector
- Best CEO
- Best CFO
- Best IR Professional
- Best IR Program
- Best ESG



**“2022 FORTUNE China ESG Influence List”**

- One of the 40 Chinese companies on the List

**“The Asset ESG Corporate Awards 2022”**

- Gold Award
- Best Initiative in Technological Innovation Award
- Best Investor Relations Team



Hang Seng Corporate  
Sustainability Index  
Series Member 2022-2023

**Constituent of Hang Seng Corporate Sustainability Benchmark Index (2022-2023)**

# *Appendix*

# Business Revenue Breakdown – by Market

(RMB'M)	2021	2022	Change	Change %
<b>TIS (Telecommunications Infrastructure Services)</b>				
Domestic Operator	39,454	38,913	-541	-1.4%
Domestic Non-operator	30,258	31,526	1,268	4.2%
Overseas Customer	2,177	2,468	291	13.4%
<b>Subtotal</b>	<b>71,889</b>	<b>72,907</b>	<b>1,018</b>	<b>1.4%</b>
<b>BPO (Business Process Outsourcing Services)</b>				
Domestic Operator	26,011	27,919	1,908	7.3%
Domestic Non-operator	14,329	14,819	490	3.4%
Overseas Customer	284	334	50	17.8%
<b>Subtotal</b>	<b>40,624</b>	<b>43,072</b>	<b>2,448</b>	<b>6.0%</b>
<b>ACO (Applications, Content and Other Services)</b>				
Domestic Operator	8,338	10,333	1,995	23.9%
Domestic Non-operator	12,859	14,238	1,379	10.7%
Overseas Customer	281	196	-85	-30.3%
<b>Subtotal</b>	<b>21,478</b>	<b>24,767</b>	<b>3,289</b>	<b>15.3%</b>
<b>Total</b>	<b>133,991</b>	<b>140,746</b>	<b>6,755</b>	<b>5.0%</b>

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, among others, the change of macroeconomic environment, natural disaster, the growth of the relevant industries, 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.