

# 2020 Interim Results

26 Aug 2020

**New Generation | 新一代**

**Integrated Smart Service Provider | 綜合智慧服務商**

**CHAIRMAN**

**MR. ZHANG ZHIYONG**

**PRESIDENT**

**MR. SI FURONG**

**EXECUTIVE VICE PRESIDENT**

**MR. LIANG SHIPING**

**EXECUTIVE VICE PRESIDENT & CFO**

**MS. ZHANG XU**



# *Overview*



COVID-19 brought unprecedented impact to the Company, operating results experienced short-term fluctuation



As the pandemic stabilized domestically, the Company adopted multiple measures that facilitated a noticeable rebound of its operation in 2Q



The Company seized opportunities from 5G construction by domestic operators, cultivated and leveraged its edges in general contracting capabilities to consolidate its leading market position



Domestic non-operator market continued to be the main growth driver of overall development, contributed over 40% of total revenues for the first time with improving development quality

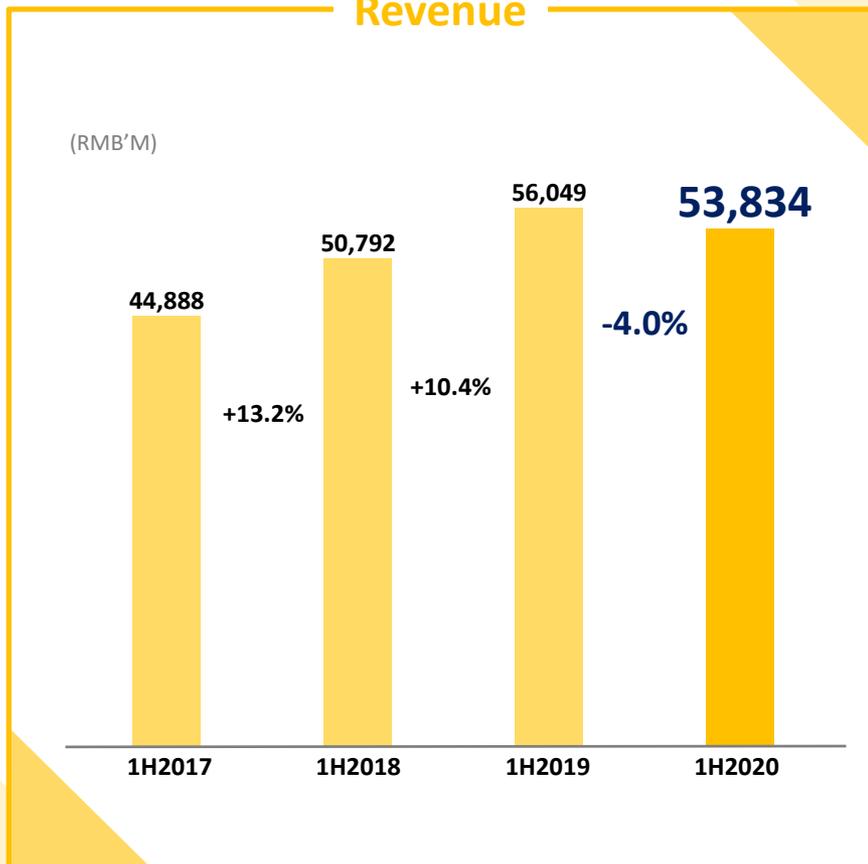


Continuously increased R&D investment to upgrade software service capabilities, ACO business maintained robust growth and contributed approximately 15% of total revenues

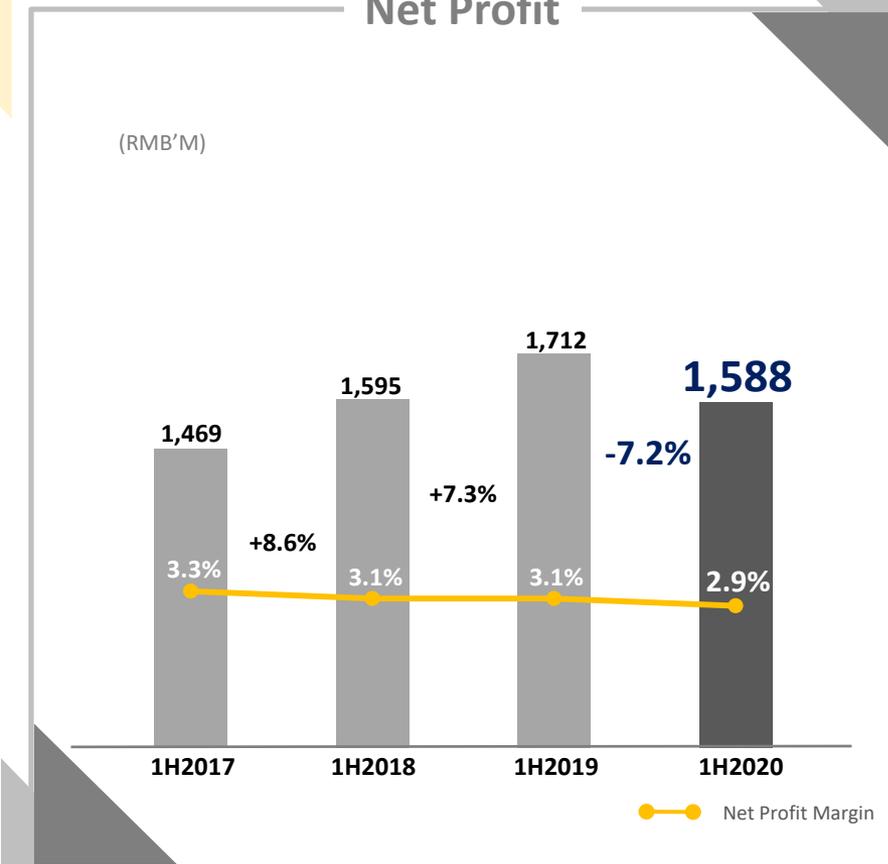


The Company's businesses and capabilities tally with the overall development demand of New Infrastructure, new opportunities will further promote its high-quality and continuous development

### Revenue

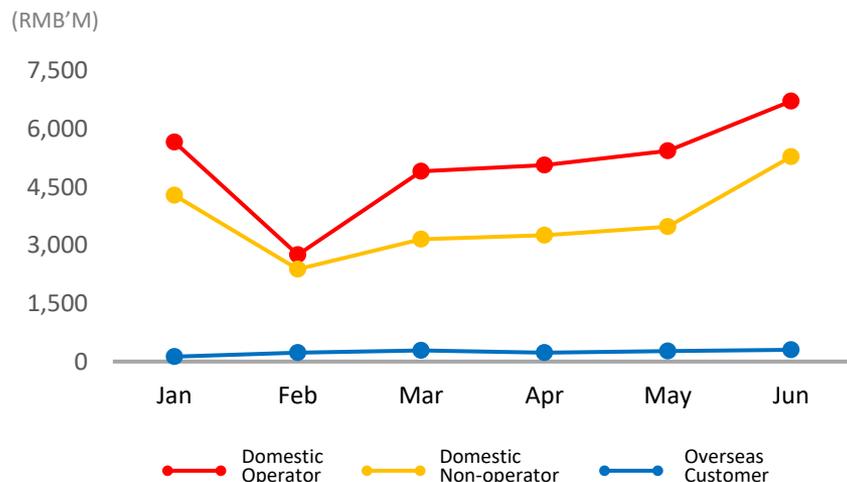


### Net Profit



# ... And Brought Unprecedented Challenges to the Company in the Beginning of 2020 ...

## 1H2020 Revenue Trend – By Markets



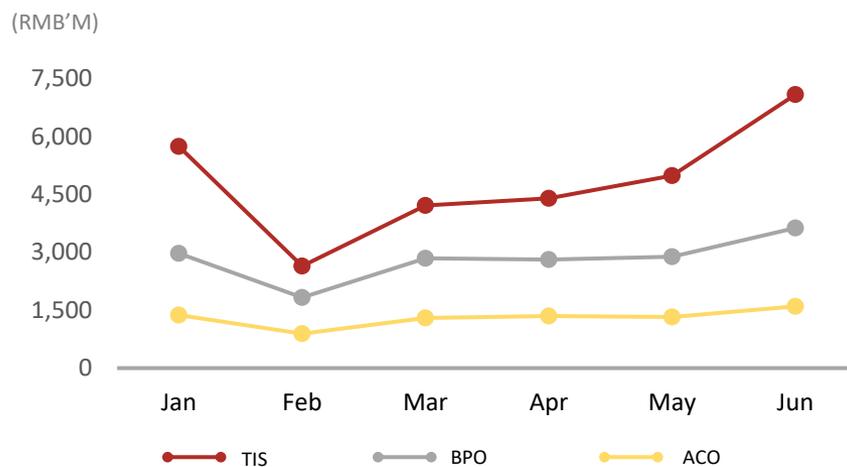
➤ **The pandemic significantly affected our normal operation in the first two months:** affected the progresses of project development and construction, delayed tendering, etc.; domestic operator and domestic non-operator markets as well as various businesses showed downward trends

➤ 1Q2020 revenue **decreased by 15.3%** yoy

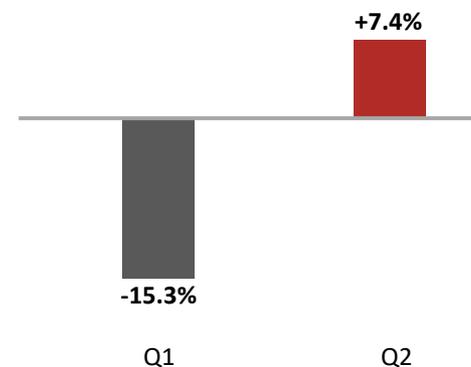
➤ **Adopted multiple measures to overcome challenges:** as the pandemic stabilized while work and production resumed, 2Q2020 revenue showed a noticeable rebound compared to 1Q2020 and a recovering growth

➤ 2Q2020 revenue **up by 7.4%** yoy, which is better than China's GDP growth in the same period (+3.2% yoy)

## 1H2020 Revenue Trend – By Businesses



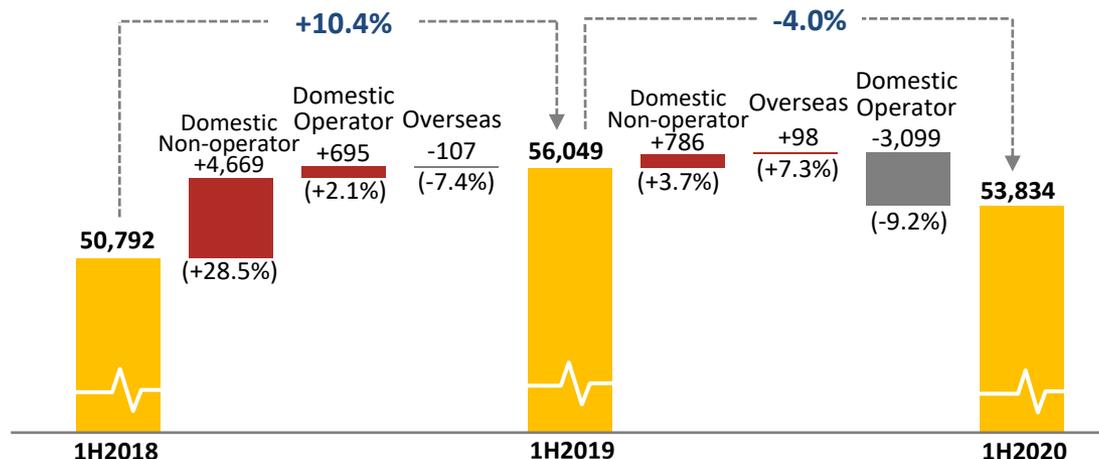
## Year-on-year Change in Revenue 1Q and 2Q 2020



# ... The Pandemic Affected the Company's Development in Various Aspects

## Revenue Growth – By Markets

(RMB'M)

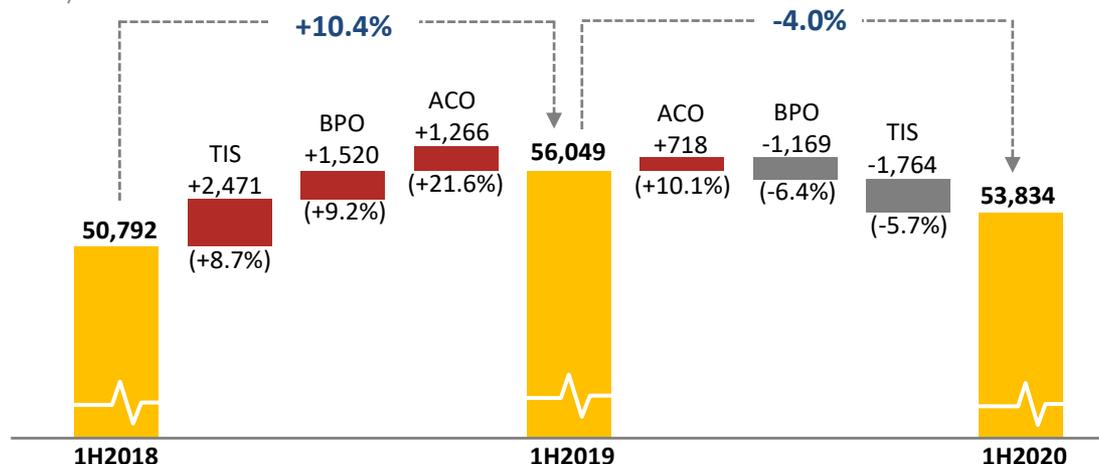


➤ **Impact of the pandemic:** Though businesses recovered quickly in 2Q2020, it could not fully mitigate the fall in 1Q2020; operation and development in 1H2020 were affected in various degrees

➤ **Meanwhile, new traits and changes in our operation emerged:** development in 1H2020 was supported by the continuous investment in R&D and the development of digitalization construction businesses in recent years, which generated sound results

## Revenue Growth – By Businesses

(RMB'M)



- **Domestic Non-operator Market:** the first that resumed positive growth in 1H2020 and contributed >40% of total revenues

- **ACO Business:** became the main growth driver in 1H2020, revenue realized double-digit robust growth and contributed about 15% of total revenues

## Fully Reflect the Company's Organizational Capability, Convening Power, Leadership and Execution

### Fully Committed to Pandemic Prevention to Assume Social Responsibility

#### { Communications Facilities Construction }

- Provided emergency communication support for local governments, Huoshenshan Hospital and Leishenshan Hospital in Wuhan, designated hospitals, module hospitals and other enterprises combating at the frontline

#### { Supplies Distribution }

- Utilized centralized procurement, warehousing, logistics network and efficient organizational capability to distribute communications equipment and supplies to infected areas

#### { Caring about Employees }

- Emphasizing life is of the utmost importance: provided pandemic prevention supplies to employees and arranged remote working

#### { Donation to Communities }

- Donated masks and other pandemic prevention supplies to infected area, sent employees to communities, medical organizations and other key areas to support pandemic prevention

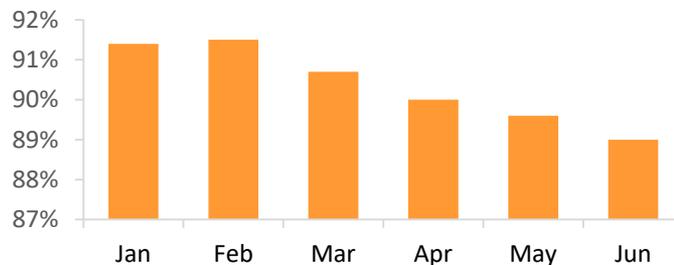
#### { Smart Applications }

- Leveraging Cloud, IoT, Big Data and other foundation platforms, swiftly developed and promoted 40+ smart applications for pandemic prevention

- Precise Pandemic Prevention Big Data Platform
- Pandemic Prevention Health Reporting Platform
- Health Declaration and Enquiry System for Migrant Workers
- “Fu Men” (福門) Pandemic Prevention Management Platform
- .....

### Strengthened Cost Control, Demonstrated Strong Execution

Cost of Revenue as a % of Revenue in 1H2020\*

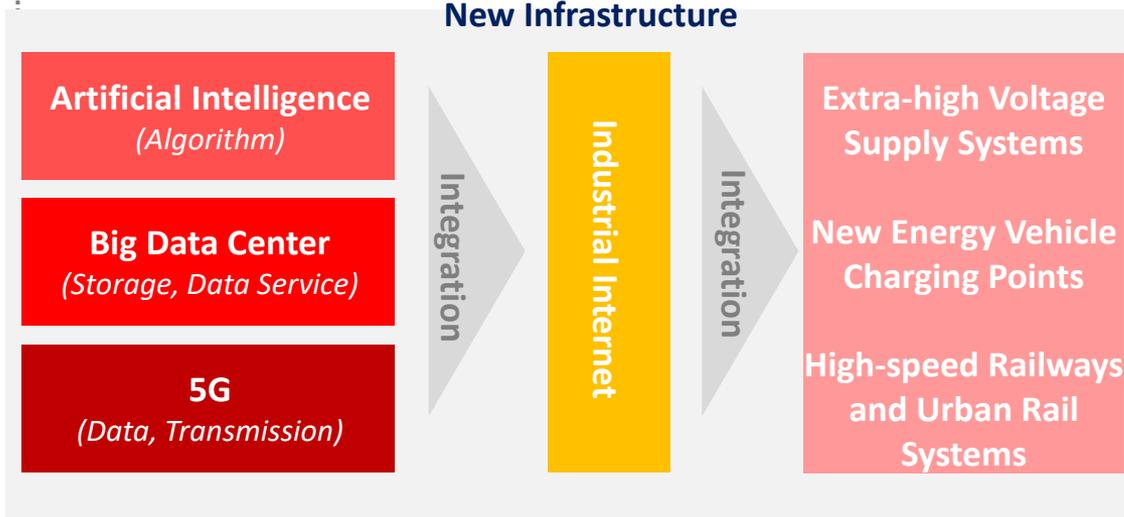


## New Opportunities Emerge

- Pandemic brings changes in customer demand, operation model and people's lifestyle, as well as accelerating the digitalization of the society & industries and the development of New Infrastructure
- Pandemic stimulates demand for remote working, accelerates enterprises to go online and use of cloud and related support
- Surging demand for digital operations, digital industries and digital businesses

### New Infrastructure Opportunities

#### Seven Key Areas of New Infrastructure



#### Investment Scale of New Infrastructure <sup>(1)</sup>

(in RMB trillion)	Direct Investment by 2025	Indirect Investment by 2025
<b>5G</b>	2.5	>5
<b>Big Data Center</b>	1.5 (By 2022)	~3.5 (By 2022)
<b>Industrial Internet</b>	>0.65	>1
<b>AI</b>	0.22	>0.4
<b>Others</b>	...	...

## Need for EPC General Contractor of New Digital Infrastructure



## Positioning – “New Generation Integrated Smart Service Provider”

*Builder of Digital Infrastructure, Provider of Smart Products and Platforms,  
Service Provider of Data Production, Guard of Smart Operation*

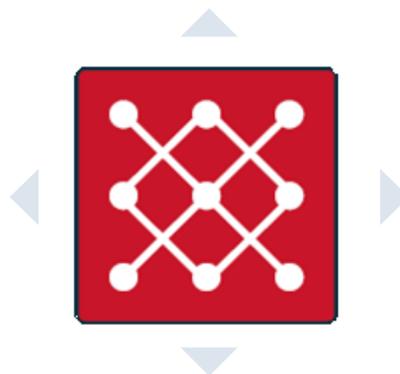
*Expedite Value Transformation, Coordinate Deployment and Development on the  
Three Main Tracks of Development (Domestic Operator, Domestic Non-operator & Overseas Markets)*

- Accelerate reform, optimize organizational structure and mechanism
- Improve dispersed R&D system, increase investment in R&D and ecosystem
- Enhance professional capabilities in general contracting and middle platform

### Future Opportunities

#### Digital Economy, Digital Transformation

- ❖ Development of 5G & New Infrastructure expedites, enabling the digitalization of traditional infrastructure and integration of new and traditional infrastructure
- ❖ New Infrastructure expedites building of smart society, accelerates intelligentization of social governance and applications of people’s livelihood



- ❖ Operators accelerate transformation and deployment in New Infrastructure, which bring opportunities in New Infrastructure (construction of 5G network, IDC... ) and New Operations (cloud-network integration, ICT businesses ...)
- ❖ New technologies such as 5G, IoT and AI deeply integrate with real economy

- ❖ Interconnected overseas communication infrastructure facilitates digital transformation of countries along “Belt and Road”

Impact by Pandemic is Only Temporary

No Change in our Fundamentals and Long-term Prosperity Trend

Turn Crises into Opportunities

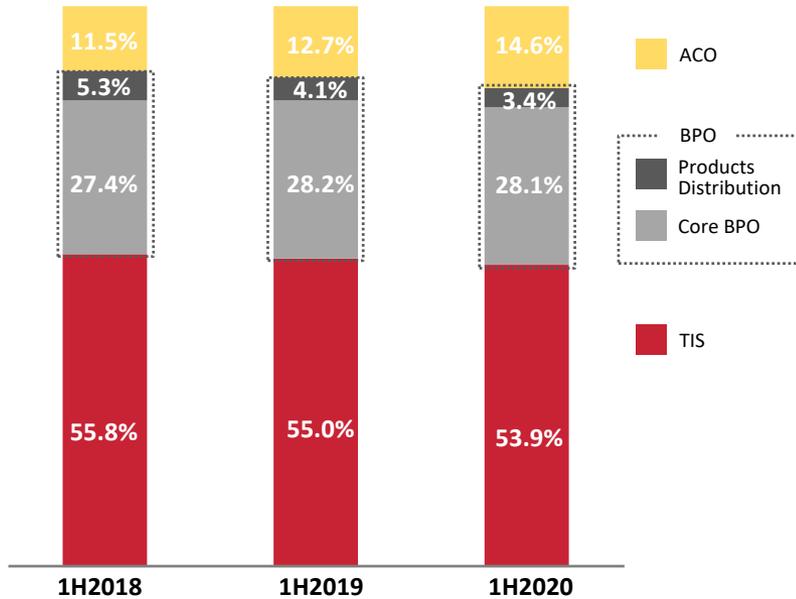
More Opportunities than Challenges

# *Business Review*

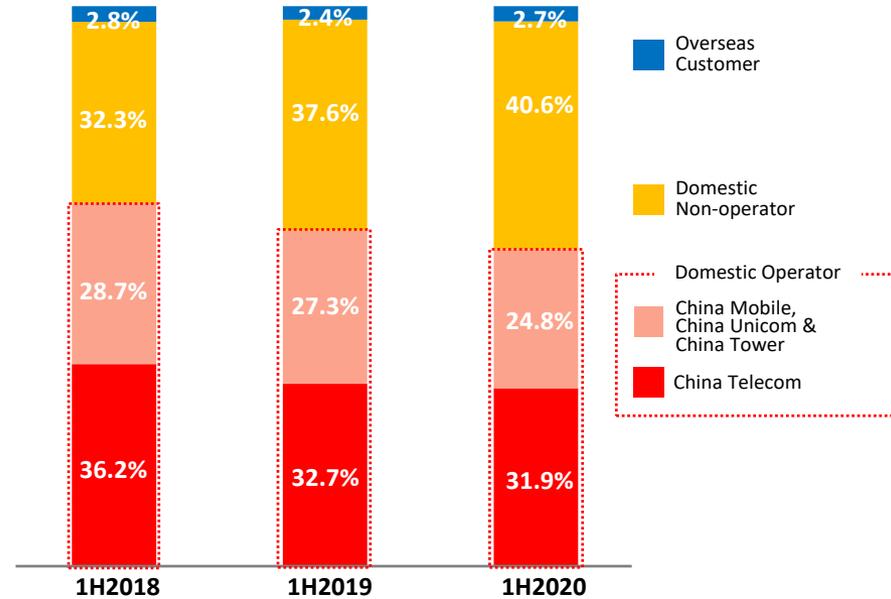
# Business Revenue Breakdown

(RMB'M)	1H2019	1H2020	Change	% of Revenue
<b>TIS (Telecommunications Infrastructure Services)</b>				
Design	5,145	4,757	-7.5%	8.8%
Construction	23,875	22,610	-5.3%	42.0%
Supervision	1,781	1,670	-6.3%	3.1%
<b>Subtotal</b>	<b>30,801</b>	<b>29,037</b>	<b>-5.7%</b>	<b>53.9%</b>
<b>BPO (Business Process Outsourcing Services)</b>				
Maintenance	7,349	7,320	-0.4%	13.6%
Property Management	2,711	2,839	4.7%	5.3%
Supply Chain	5,788	4,984	-13.9%	9.2%
<b>Core BPO Businesses Subtotal</b>	<b>15,848</b>	<b>15,143</b>	<b>-4.4%</b>	<b>28.1%</b>
Products Distribution	2,280	1,816	-20.3%	3.4%
<b>Subtotal</b>	<b>18,128</b>	<b>16,959</b>	<b>-6.4%</b>	<b>31.5%</b>
<b>ACO (Applications, Content and Other Services)</b>				
System Integration	4,232	4,893	15.6%	9.1%
Software Development & System Support	1,055	1,278	21.1%	2.4%
Value-added Services	957	912	-4.7%	1.7%
Others	876	755	-13.9%	1.4%
<b>Subtotal</b>	<b>7,120</b>	<b>7,838</b>	<b>10.1%</b>	<b>14.6%</b>
<b>Total</b>	<b>56,049</b>	<b>53,834</b>	<b>-4.0%</b>	<b>100%</b>

By Businesses

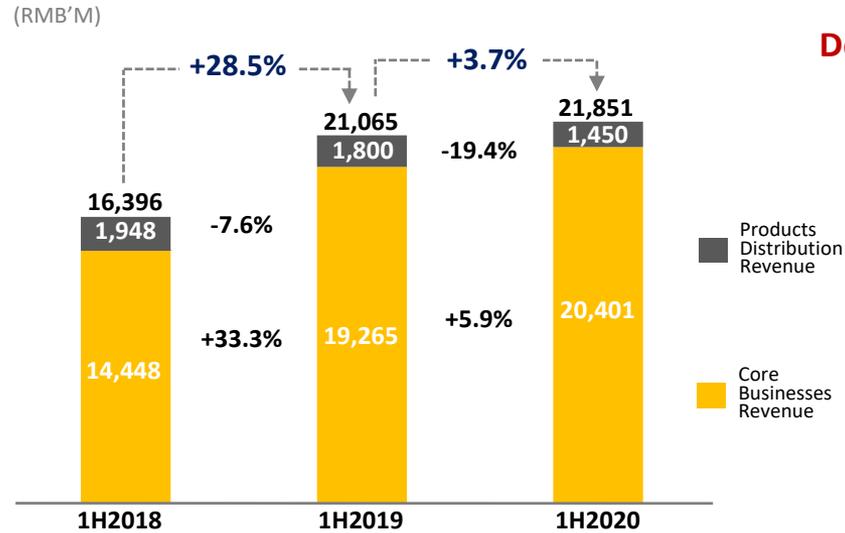


By Markets



- **Business Structure Continued to Optimize:** portion of revenue from **ACO business** continued to rise and **increased to approximately 15%**
- **Market Structure Further Diversified:** portion of revenue from **domestic non-operator** further increased and **exceeded 40%**

## Revenue from Domestic Non-operator Market

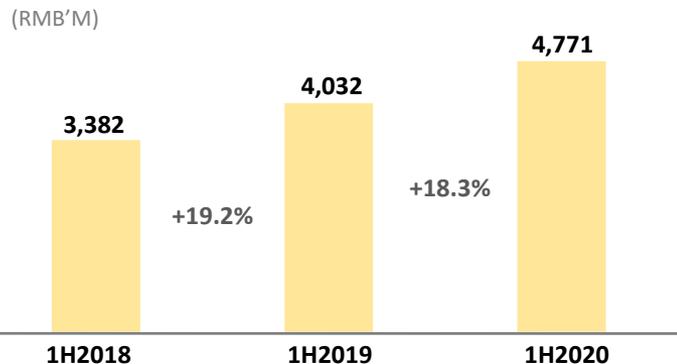


**Focus on the Digitalization Construction Opportunities of Key Industries amid the Development of Digital Economy; Dedicated to Providing Integrated Comprehensive Smart Solutions**

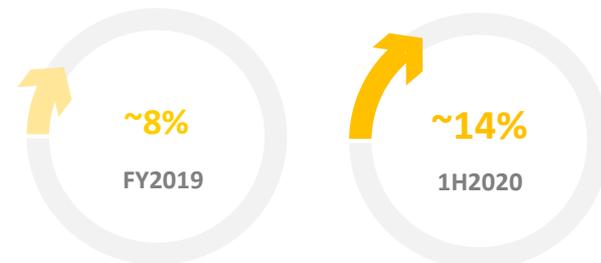
- Overcame the pandemic impact and maintained positive growth in 1H2020
- Our effort to increase R&D investment consistently and develop informatization and digitalization construction projects are bearing fruit, in which ACO business maintained a robust growth and was the main revenue growth driver
- Achieved continuous breakthroughs in winning large-scale projects, in which the proportion of new contracts with size over RMB100 million (per contract) increased noticeably

**Development Quality in Domestic Non-operator Market Further Enhanced**

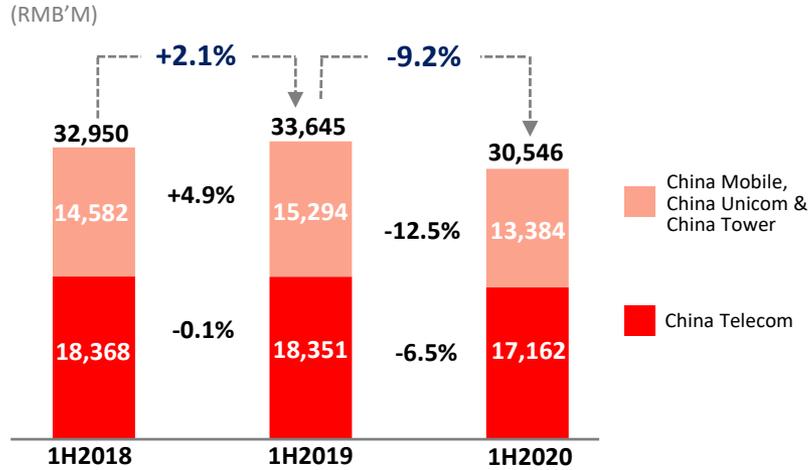
### In which : ACO Business <sup>(1)</sup>



### Proportion of New Contracts with Size over RMB 100 Million (per Contract)

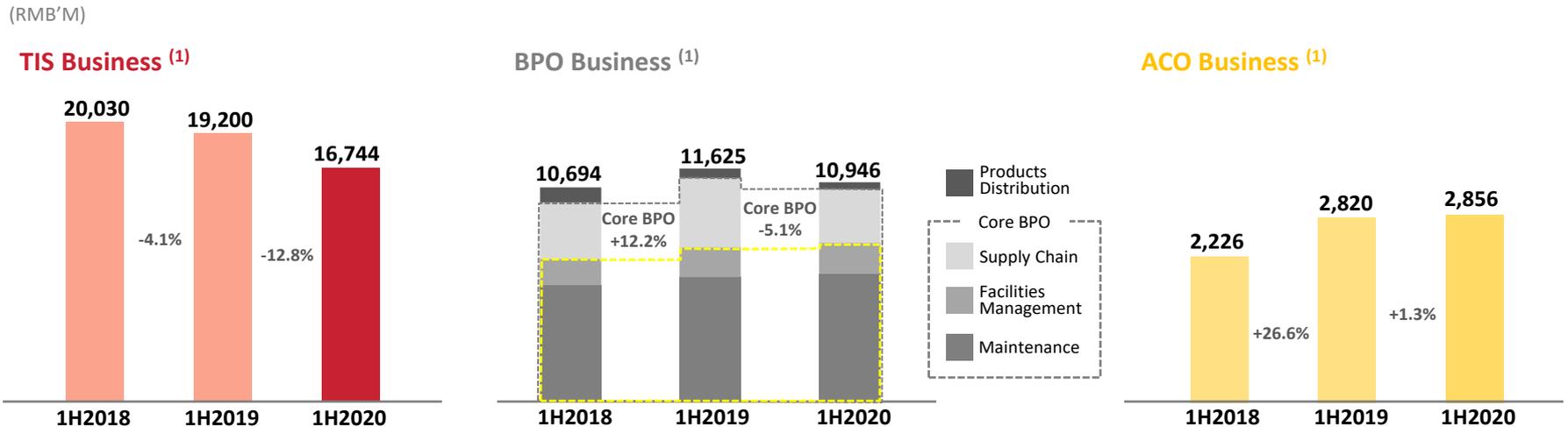


## Revenue – By Customers



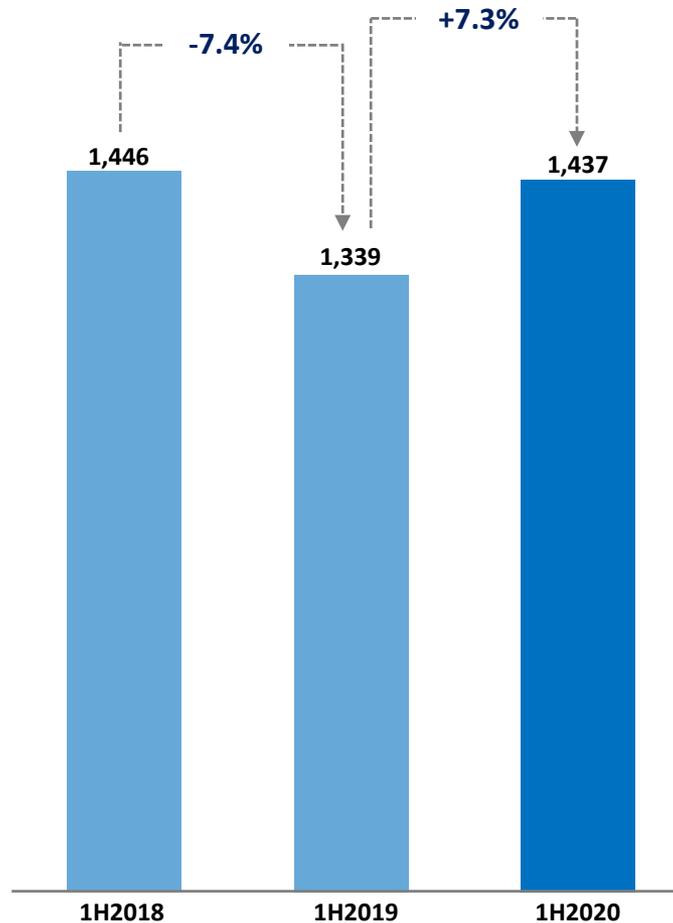
- The pandemic affected the overall development in the domestic operator market, in particular the project construction
- Leveraging the new EPC general contracting model, we proactively undertook 5G construction projects with an increasing business volume
- Continuously enhanced “Dual Growth Drivers+” strategy (CAPEX & OPEX + Smart Applications) and penetrated the OPEX businesses while supporting the transformation of domestic operators with IT applications, BPO business was relatively steady and ACO business sustained growth

## Revenue – By Businesses

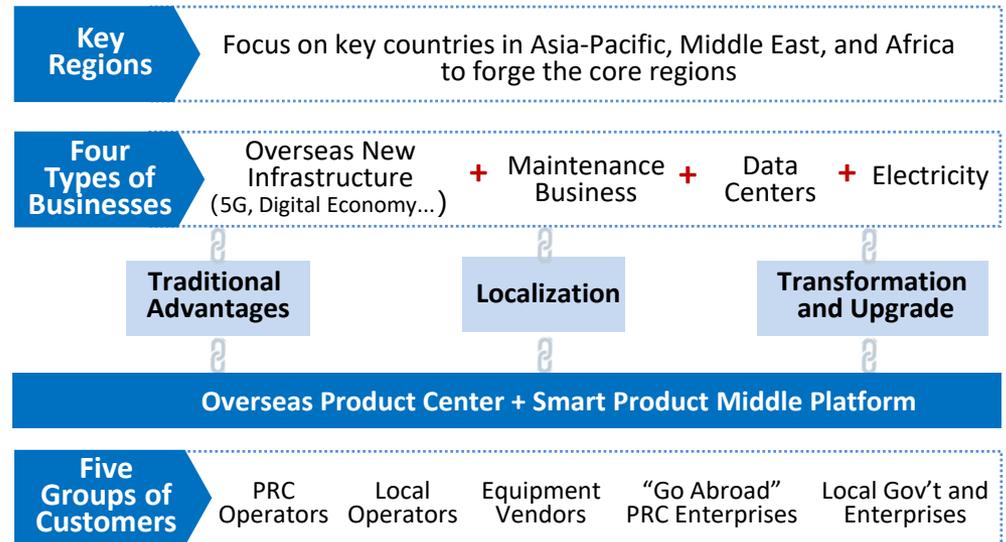


## Revenue from Overseas Market

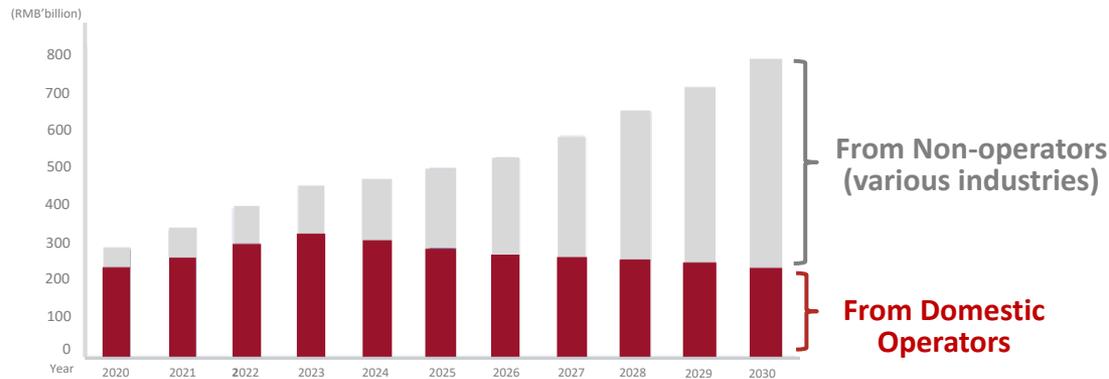
(RMB'M)



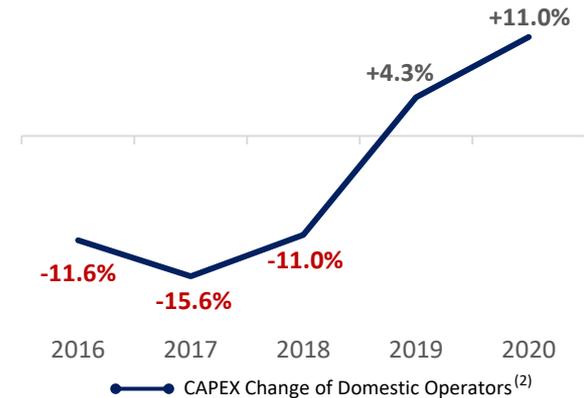
- Revenue from overseas market resumed growth as a result of the successful development of major projects which generated revenue
- Contribution from Asia-Pacific, Southeast Asia and the Middle East continued to increase
- Acceleration in the interconnection of communications infrastructure facilities has been stimulating the digital economic transformation of countries along the “Belt and Road”
- Optimize overseas management, enhance service and risk-prevention capabilities



## 5G Relevant Investment (1)



## CAPEX of Domestic Operators Gradually Increase



### Corresponding Tactics – Domestic Operator Market

*Prepare for 5G Construction Growth Period, Support the Transformation of Domestic Operators, Enhance Ecological Cooperation*

#### ➤ Forge the New EPC General Contracting Service Model

- Leverage centralized procurement to procure at competitive prices, enhance efficiency and raise core competitiveness
- Increase market share to consolidate leading market position

#### ➤ Strengthen “5G+” Capabilities

- Capture the accelerating trend of cross-sector integration driven by 5G, support domestic operators to connect with vertical industries
- Provide 5G Network + Industrial Smart Application Platform

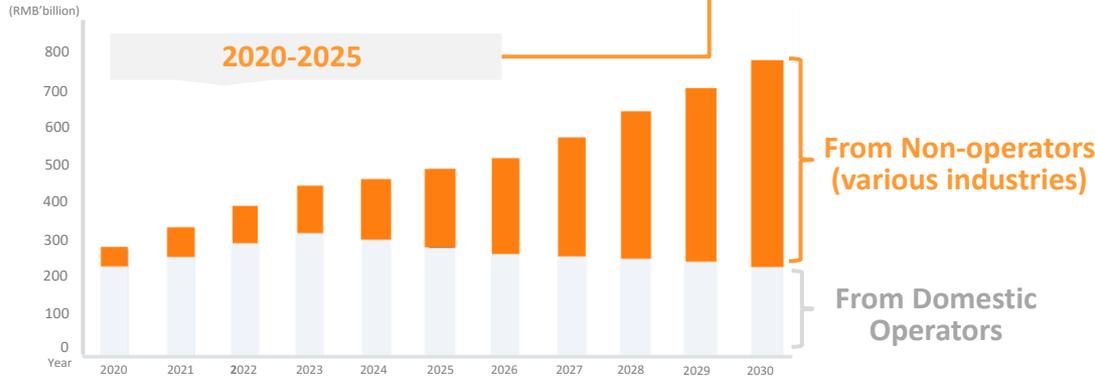
#### ➤ Explore Cloud-network Integration Opportunities

- Capitalize on the trend of cloudification of 5G network, forge and promote cloud management products and help operators to construct efficient network management and operation system
- Based on the cloud-network integration new blueprint, provide IT system development and support services

(1) Source: “White Paper on 5G Economic and Social Impact” issued by China Academy of Information and Communications Technology (CAICT) in 2017

(2) Such data is from the disclosure by the three listed domestic operators and China Tower

## 5G Relevant Investment (1)



## Market Scale and Opportunities in the Next 5 Years (2):

- **500 billion:** investment scale of networking development by industries and enterprises
  - **>3.5 trillion:** 5G network construction will stimulate 5G applications along the industry chain and various industries
- +
- The pandemic facilitates digital transformation of society and industries
  - Cloud migration of government and enterprises accelerates
  - Development of Smart City, Smart Emergency Management and Network Security expedites

## Corresponding Tactics – Domestic Non-operator Market

**Strengthening Middle Platform to Enhance Capabilities Leveraging Ecosystem for Market Development**

### Middle Platform (R&D) Capabilities:

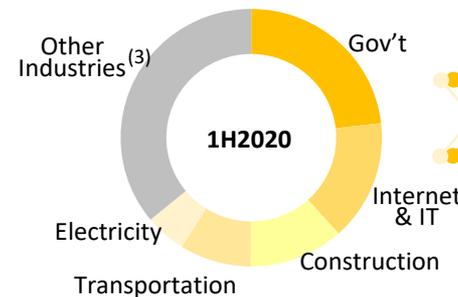
- Establish China Comservice General Research Institute to coordinate the core capabilities of middle platforms, and enhance capabilities in strategies, businesses, R&D through the middle platforms (R&D platform, Digital platform, Business platform)
- Continue to enhance the capabilities of our Cloud platform, IoT platform and Network Security Service platform

### Ecosystem Cooperation:

- Enlarge the scope of ecosystem, and enhance service capabilities through deepening cooperation with partners
- Focus on the cooperation in technology, products, channels and industry-finance

**Focus on Key Industries and Provide Customized Integrated Smart Solutions**

### New Contracts Composition (By Industries)



### CCS Over 30 Solutions Targeting Different Industries



(1) Source: "White Paper on 5G Economic and Social Impact" issued by CAICT in 2017

(2) Forecasted by CAICT, in RMB

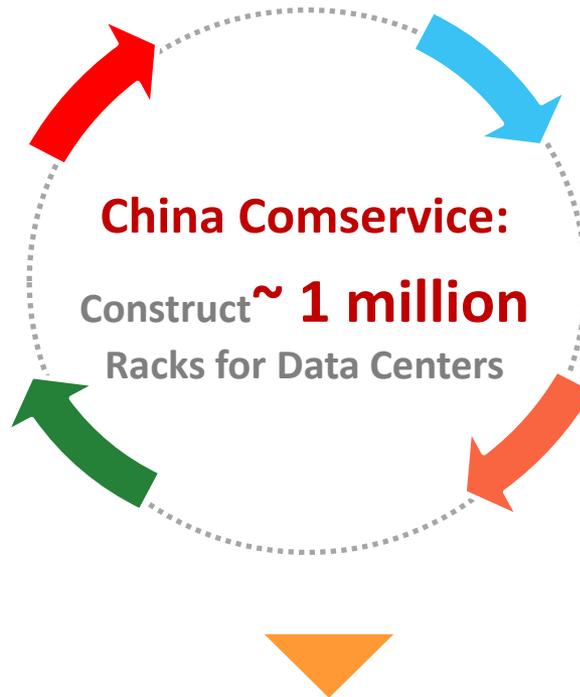
(3) Other industries include SMEs, broadcasting, finance, manufacturing, trading, water conservancy, agriculture etc.

## Major Constructor

- Major consultation, planning and design company and constructor for data centers in China
- Major Customers: telecom operators and third-party IDC service providers (including Internet companies) <sup>(1)</sup>

## Top Qualification and Multiple Patents

- Possess top industry qualification in design, construction and supervision
- Engage in the formulation of industry standards and possess multiple data center related patents
- **Self-developed technologies** (e.g. wind-driven natural cooling technology, lake water supply technology) help data centers reduce costs and energy consumption



## Smart Cloud Integration Integrated Service

- **Seamless Connection among Various Professional Services**

General Contracting	Procurement	Supply Chain	Supervision
Technology Consultation	System & Development	Cloud Platform	Security Service
Construction & Implementation	Operation & Maintenance	Migration & Integration	.....

## Efficient Deployment

- Supported by the BIM (Building Information Modeling) synergy platform, users could visualize design, synchronize construction, standardize supervision and have more precise operation and maintenance, thus realizing a standardized system during project construction

## 1H2020 New Contract Amount: Doubled and Amounted to >RMB4 Billion

- Develop **EPC general contracting service for data center industry**
- Develop **full-process consultation and BIM applications services for data centers**, etc.
- Develop **data mining, Trusted Cloud Services**, etc.

## Industrial Internet <sup>(1)</sup>

- Serve industrial customers from sectors such as government, manufacturing and energy, provide services on Industrial Internet including consultation and planning, platform construction, security and smart applications, etc
- **Top-level planning and standard formulation:** Undertake national standard formulation, deployment and planning on Industrial Internet, also engage in formulation of Industrial Internet solutions for key industries



### Government

- Provide Industrial Internet Big Data Platform, forge Industrial Internet Security Sensing Centers for governments in different levels, provide professional support from data to security



### Enterprises

- Provide software and hardware services covering equipment R&D, construction and modification, system development and infrastructure upgrade targeting the diverse enterprise demand



### Parks

- Provide industrial parks with efficient support on the supervision, operation and maintenance for equipment, and also environment monitoring, security, energy consumption monitoring, energy saving and emission reduction, etc



### Industries

- “1+N” platform system provides technology support that satisfied differentiated demand of various industries

## Other New Infrastructure

- Focus on key industries and adopt flexible cooperation model such as Network+AI application integration to partake AI network infrastructure construction
- Timely capture the new development features of extra-high voltage, rail transit, new energy vehicle. Support the digital transformation of relevant enterprises through exploring their informatization demand

## Smart Application Cases that Integrate Advanced Technologies



### Chengdu Second Ring Road 5G Smart Public Transportation Dispatch and Management System

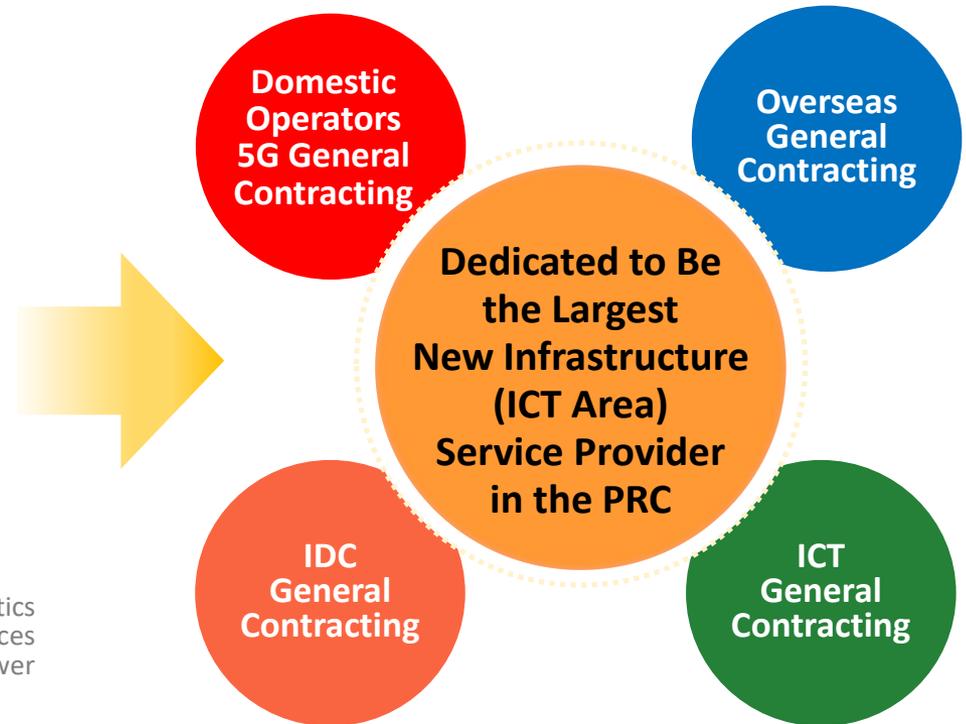
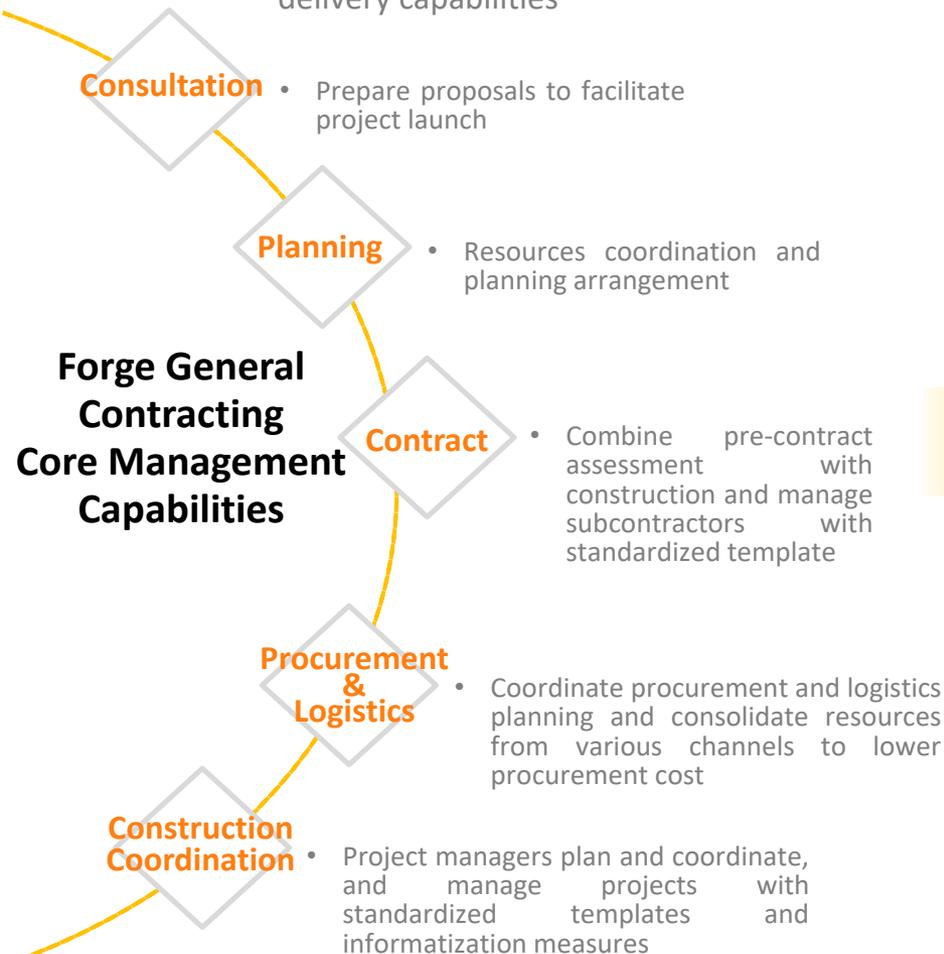
- One of the earliest systems that applied 5G technologies in the country
- Applied “5G+AI” technology in public transportation: other than faster Internet access, the system enables functions such as traffic flow statistics, efficient security planning, driver behavior analysis and facial recognition



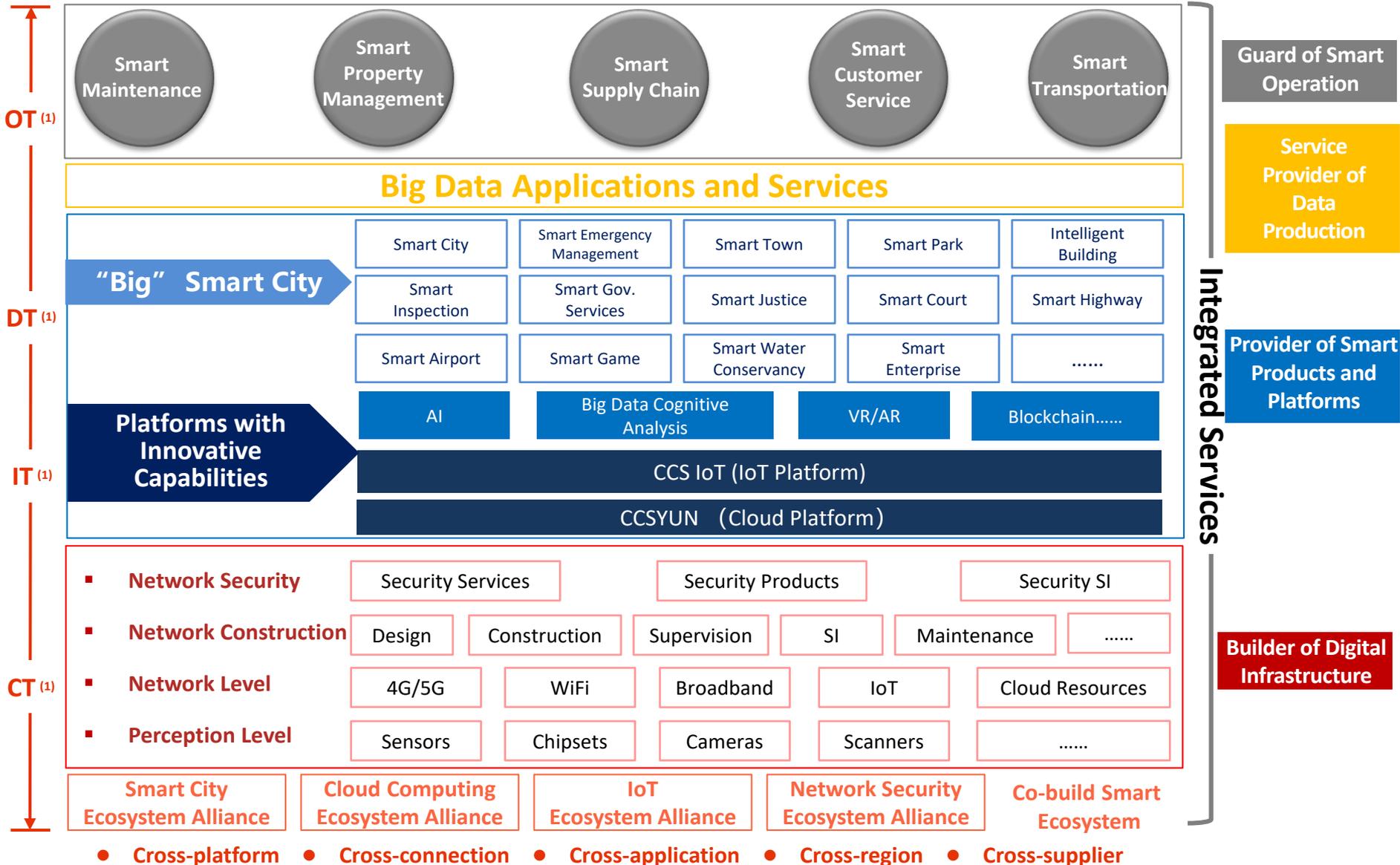
### 5G Smart Grid Slicing Management Platform

- Initiate 5G slicing management features for power industry
- For a certain Power Supply Bureau - 5G Smart Grid Application Wireless Management Platform
  - System Features: wireless power adapter management + power communication module management + 5G Smart Grid slicing management

- Leverage 5G general contracting to forge EPC general contracting capabilities, enhance project value through business model restructuring
- Establish cross-department and cross-profession processes (design, construction, product, procurement, finance and subcontracting), enhance coordination capabilities to form comprehensive management and delivery capabilities



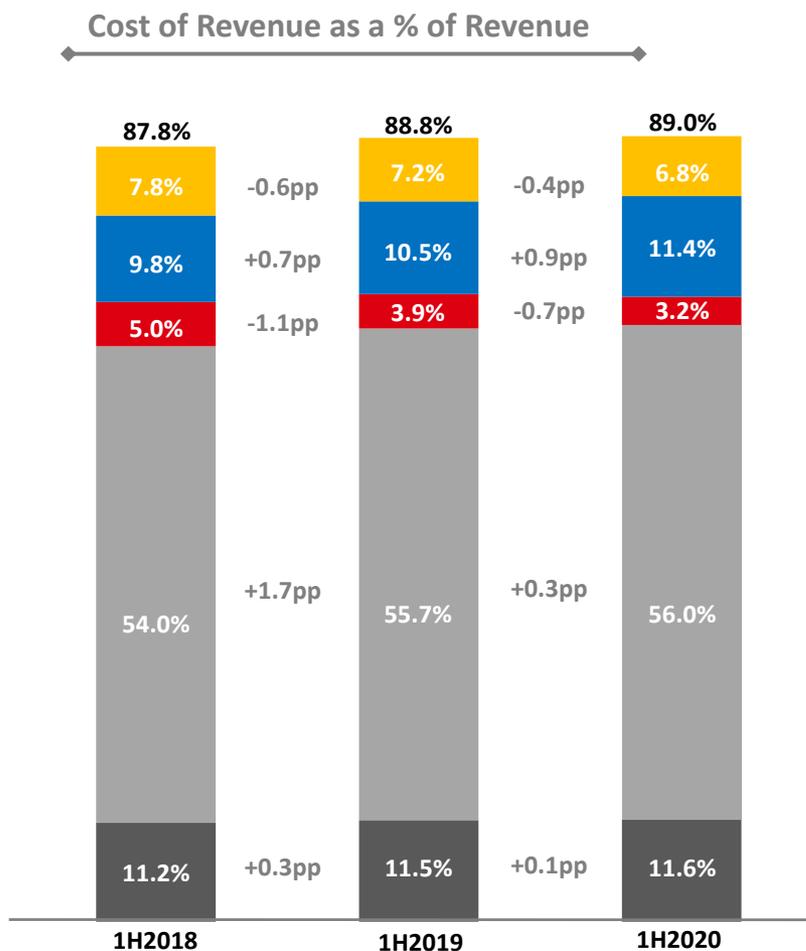
# China Comservice – Blueprint of New Generation Integrated Smart Service Provider



# *Financial Results*

(RMB'M)	1H2019	1H2020	Change %	% of Revenue
<b>Revenue</b>	<b>56,049</b>	<b>53,834</b>	<b>-4.0%</b>	<b>100%</b>
<b>Cost of Revenue</b>	<b>49,749</b>	<b>47,931</b>	<b>-3.7%</b>	<b>89.0%</b>
Direct Personnel	4,040	3,670	-9.1%	6.8%
Materials	5,904	6,155	4.2%	11.4%
Direct Cost of Products Distribution	2,175	1,718	-21.0%	3.2%
Subcontracting	31,188	30,126	-3.4%	56.0%
D & A	351	395	12.6%	0.7%
Others	6,091	5,867	-3.7%	10.9%
<b>Gross Profit</b>	<b>6,300</b>	<b>5,903</b>	<b>-6.3%</b>	<b>11.0%</b>
<b>SG &amp; A</b>	<b>4,985</b>	<b>4,785</b>	<b>-4.0%</b>	<b>8.9%</b>
<b>Net Profit</b>	<b>1,712</b>	<b>1,588</b>	<b>-7.2%</b>	<b>2.9%</b>
<b>EPS (RMB)</b>	<b>0.247</b>	<b>0.229</b>	<b>-7.2%</b>	-

## Achieved Favourable Results in Cost Control as Multiple Measures Were Adopted During the Pandemic to Alleviate the Impact



**Direct Personnel**  
By utilizing subcontracting resources adaptively and controlling total staff number, direct personnel cost as a % of revenue kept declining

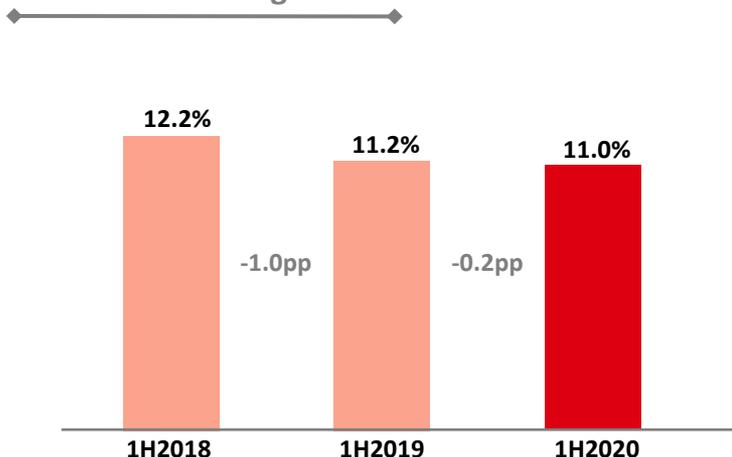
**Materials**  
Rapid growth of system integration business in domestic non-operator market drove the increase in materials cost

**Direct Cost of Products Distribution**  
By proactively controlling the products distribution business, direct cost of products distribution as a % of revenue continued to fall

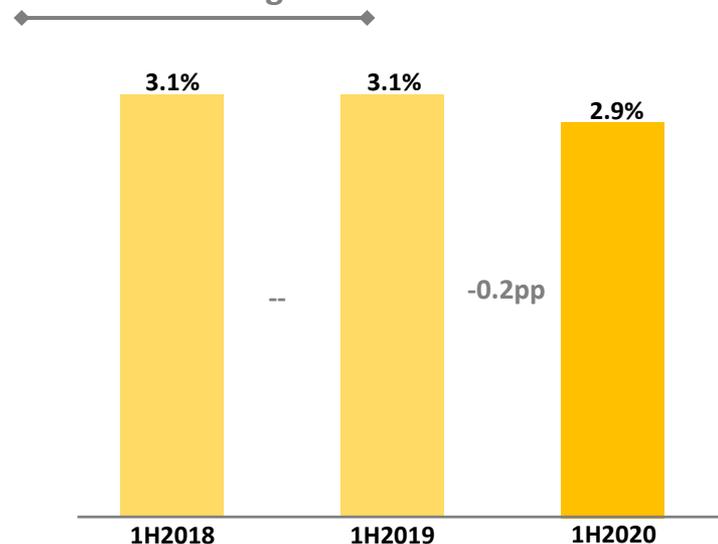
**Subcontracting**  
By strengthening subcontracting management and analysis to enhance efficiency, growth of subcontracting cost as a % of revenue noticeably eased

**D & A and others**  
Maintained relatively stable

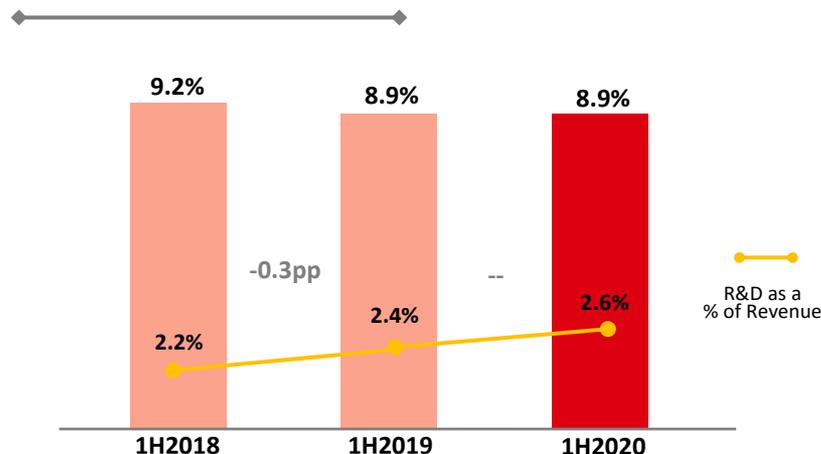
## Gross Profit Margin



## Net Profit Margin

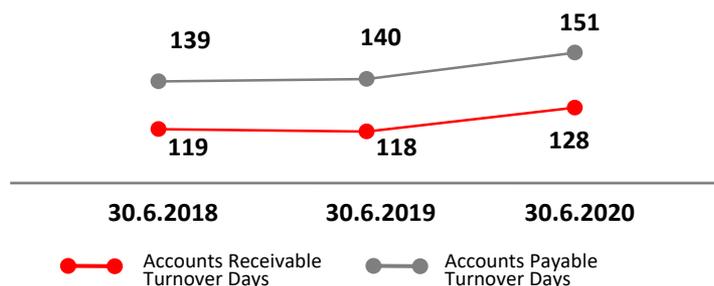


## SG&A as a % of Revenue



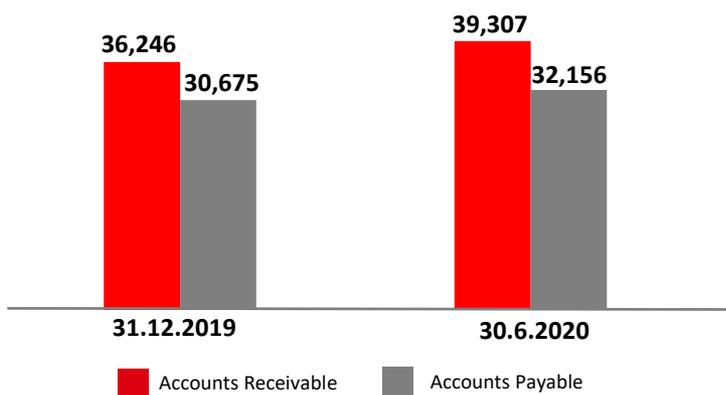
- **The decline of gross profit margin noticeably moderated:** through steadily improving the development quality of domestic non-operator market, optimizing business structure (rising portion of ACO business) and controlling costs, we alleviated the impact brought by the pandemic and the decreasing value in domestic operator market
- Continued to increase R&D investment, and its portion to revenue kept rising
- Net profit margin decreased in 1H2020 mainly due to the impact of pandemic on business development while some costs are relatively fixed in nature (such as labour cost and certain SG&A expenses), and also the cost increase related to pandemic prevention

## Accounts Receivable <sup>(1)</sup> and Accounts Payable Turnover Days



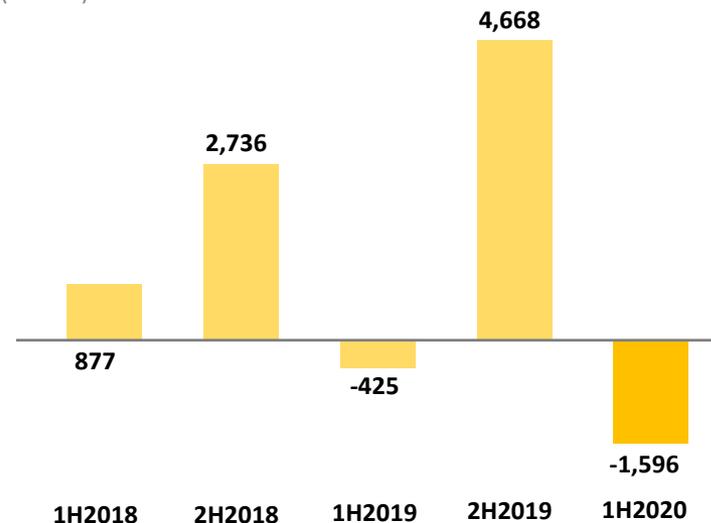
## Accounts Receivable <sup>(1)</sup> and Accounts Payable

(RMB'M)



## Free Cash Flow <sup>(2)</sup>

(RMB'M)



- The pandemic has significant impact on the domestic macro economy and more pressure is encountered in cash collection and payment

<sup>(1)</sup> 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

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

- The Company's financial position remains solid and healthy, which enables us to withstand the challenges brought by the changes in macro-environment, supports the continuous business development and transformation, as well as providing sound support for the advancement towards high-quality development

(RMB'M)	30.6.2019	31.12.2019	30.6.2020
<b>Total Assets</b>	<b>85,734</b>	<b>87,541</b>	<b>88,224</b>
<b>Total Liabilities</b>	<b>51,921</b>	<b>52,503</b>	<b>53,033</b>
<b>Equity Attributable to Equity Shareholders</b>	<b>33,327</b>	<b>34,564</b>	<b>34,716</b>
<b>Total Liabilities / Total Assets (%)</b>	<b>60.6%</b>	<b>60.0%</b>	<b>60.1%</b>
<b>Debt-to-Capitalization Ratio (%)</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.8%</b>
<b>Cash and Deposits</b>	15,795	21,692	17,475
<b>Interest-bearing Liabilities</b>	476	511	623

— Thank you! —



- Gold Award – Corporate Governance, Social Responsibility and Investor Relations
  - Best CEO
- by *The Asset*



2019



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

**Institutional Investor**

**2020 ALL-ASIA EXECUTIVE TEAM**

**HONORED COMPANY**

3rd in the Overall Ranking in Telecommunications Sector

- Best CEO

3rd in the Sell-side Ranking in Telecommunications Sector

- Best CEO
- Best CFO
- Best ESG
- Best IR Team
- Best IR Program

-----by *Institutional Investor*

# *Appendix*

# Business Revenue Breakdown – By Customer

(RMB'M)	1H2019	1H2020	Change	Change %
<b>TIS (Telecommunications Infrastructure Services)</b>				
Domestic Operator	19,200	16,744	-2,456	-12.8%
Domestic Non-operator	10,665	11,185	520	4.9%
Overseas Customer	936	1,108	172	18.3%
<b>TIS total</b>	<b>30,801</b>	<b>29,037</b>	-1,764	-5.7%
<b>Core BPO (Business Process Outsourcing Services)</b>				
Domestic Operator	11,156	10,592	-564	-5.1%
Domestic Non-operator	4,568	4,445	-123	-2.7%
Overseas Customer	124	106	-18	-14.0%
<b>Subtotal (Core BPO)</b>	<b>15,848</b>	<b>15,143</b>	-705	-4.4%
Products Distribution	2,280	1,816	-464	-20.3%
<b>BPO Total</b>	<b>18,128</b>	<b>16,959</b>	-1,169	-6.4%
<b>ACO (Applications, Content and Other Services)</b>				
Domestic Operator	2,820	2,856	36	1.3%
Domestic Non-operator	4,032	4,771	739	18.3%
Overseas Customer	268	211	-57	-21.5%
<b>ACO total</b>	<b>7,120</b>	<b>7,838</b>	718	10.1%
<b>Total</b>	<b>56,049</b>	<b>53,834</b>	-2,215	-4.0%

## Case Illustration - Data Centers

### For Domestic Telecom Operator Data Center Project Phase I in Fuzhou, Fujian



- Data center developed in EPC general contracting model
- Gross area was ~ **210,000 m<sup>2</sup>** with **18,000 racks**
- Investment was **over RMB100 million** and phase I construction covered **113,000 m<sup>2</sup>**

### Data Center EPC Project Phase I & II in Lingang, Shanghai



- Gross area was ~ **48,000 m<sup>2</sup>** with ~**4,900 racks** and investment **exceeding RMB 100 million**
- Engaged in the full life cycle implementation by EPC general contracting, provided equipment room construction and modification, “EPC+ Operation & Maintenance” for an Internet company
- Utilized BIM and digitalization management platform applications

### For Domestic Telecom Operator Cloud Computing Center in Inner Mongolia



- Gross area was ~ **1 million m<sup>2</sup>** and was the largest Cloud Computing Data Center in Asia
- Project model was **Design & Construction / Electrical and Mechanical Design + General Contracting for Construction**
- Adopted “air-conditioning with half energy consumption” technology, and won the **FIDIC Project Awards**

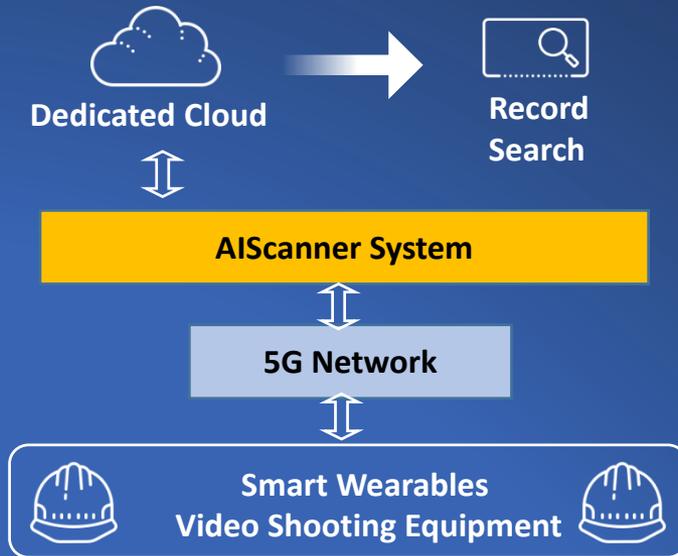
### For a Large-scale Internet Company Qiandao Lake Data Center



- Gross area was ~ **28,000 m<sup>2</sup>** with **2,618 racks** planned, was one of the largest domestic data center with gross area in single unit and power usage capacity in China
- **Uses renewable energy (lake water)** as the cooling source for air-conditioning system in the data center rooms to **achieve free-cooling** throughout the year. **Obtained patent for relevant technology**

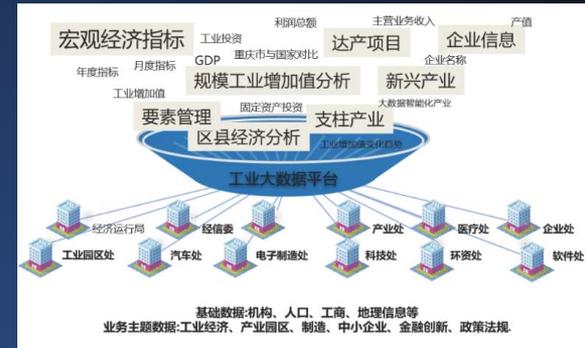
# Case Illustration - Industrial Internet

## Quality Control Platform for a Vehicle Manufacturing Factory



- Made use of **AIScanner System** in the Industrial Quality Control Smart Platform and utilized **5G** to stream high-definition videos
- Featured **Dedicated Cloud** for management, storage and computing which could also increase capacity in seconds
- The **Intelligent Video Separation Algorithm based on AI** could perform semantic analysis and efficient retrieval on massive amount of videos, which raised platform efficiency by 60%

## Industrial Internet Big Data Platform in Chongqing



- **Converged city-wide industrial data** which covered economic data from industries, industrial parks, SMEs and private sector, financial innovation, etc
- Applied **CCSYUN Cloud Platform** to carry 30+ industrial application systems in **5 categories** (platform inspection, financing, declaration, business and big data application)
- **CCS IoT Platform** provided stable connection for industrial equipment, connected with **>200 industrial enterprises** and supported multiple forms of connection

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, 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.