



# CHAIRMAN'S STATEMENT



Ke Ruiwen  
*Chairman and Chief Executive Officer*

In 2022, a new round of technological revolution and industrial transformation has experienced in-depth development, and digital development has swept the world. The 20th National Congress of the Communist Party of China (the “CPC”) has drawn up a grand blueprint for building a modern socialist country in an all-round way and promoting the great rejuvenation of the Chinese nation in an all-round way with Chinese-style modernisation. China Telecom has assumed the responsibility of a central enterprise, comprehensively implemented the “Cloudification and Digital Transformation” strategy, strengthened reform, opened up and innovated, promoted the high-quality development of the Company, empowered the digital transformation of the economy and society, and injected new impetus for sustainable development.

**Taking responsibility through digital empowerment.** The Company has continued to consolidate the digital foundation and accelerate the construction of the intelligent integrated digital information infrastructure with cloud-network integration as its core feature. We have implemented the national project of "East-to-West Computing Resource Transfer", continued to optimise the layout of the ubiquitous computing infrastructure, with the total scale of computing power reaching 3.8EFLOPS, representing an increase of 81% year-on-year. We have fully built the world's first co-built and co-shared superior 5G SA network with the largest scale and fastest network speed, activated 1 million 5G co-shared base stations, and our Gigabit fibre network covered more than 250 million households. The Company has empowered the digital transformation of the economy and society by creating industry applications in key areas such as 5G + smart manufacturing, smart agriculture and smart healthcare, and launching various scene-based applications such as digital home and smart community. The Company has promoted the building of digital government with government administration cloud as the core to create a social governance platform and promote the enhancement of regional governance capabilities. We have achieved industry-leading overall satisfaction throughout the year by strengthening intelligent service capabilities and promoting customer-oriented mechanism construction and process reform.

**Adding impetus through innovative development.** The Company insists on sci-tech self-reliance and self-improvement, enhances the sci-tech innovation system, consolidates the foundation of sci-tech talents team, and strives for breakthroughs in key core technologies of digitalisation. The Company's China Telecom Cloud 4.0 computing power distribution network platform, "Xirang", was selected as one of the "2022 Top 10 Super Projects of Central Enterprises". The Company led the establishment of the World Broadband Association (WBBA) to build an international cooperation and exchange platform for cloud-network technology innovation. The Company has comprehensively deepened system and mechanism reform aiming at meeting the digital needs of customers. We have continued to promote organisation and mechanism reforms in areas of government and enterprise service, sci-tech innovation, and professional companies to adapt to digital transformation, continuously enhance market-oriented operation mechanisms, and further release vitality in operation and development. The Company has continued to enhance its corporate governance, regulate its corporate operations and promote improvements of corporate governance systems of its subsidiaries. We have enhanced the vitality of operation and development and ensured that corporate operations are in line with the long-term interests of the Company and all shareholders.

**Achieving sustainability through green and security development.** The Company has been actively addressing climate change and implementing the "1248" dual-carbon action plan in conjunction with the national "dual-carbon" goal. We promoted low-carbon corporate operations and built the first "zero-carbon datacentre" in Qinghai with PUE below 1.2. We have reduced greenhouse gas emissions by more than 13 million tons through co-building and co-sharing as well as various energy-saving initiatives, with a 20.6% year-on-year reduction in greenhouse gas emissions per unit of information flow. We have empowered economic and social green development, created a low-carbon digital platform, and provided customers with new solutions for energy saving and carbon reduction, ecological protection, etc. We have enhanced the network and information security work mechanism, optimised the integrated security capability system of cloud, network, edge and terminal, and launched security products and services to meet customer needs in the digital environment. We have provided communications assurance for earthquake rescue and disaster relief in Luding, Sichuan and other areas, and successfully provided communications assurance for the 20th CPC National Congress, the Beijing Winter Olympics and other major events. We have promoted supply chain compliance, strengthened supplier management and safeguarded the safety of the supply chain. We have strengthened compliance and risk management, and enhanced management of work safety. We have continued to promote integrity building and anti-corruption, financial and audit supervision, and have taken multiple measures to prevent and resolve major risks.



## Chairman's Statement

**Building harmony through openness and inclusiveness.** The Company cares for employees, protects their rights and interests, cares for their lives, and helps them grow, and the general staff's sense of gain, well-being, security has been enhanced. The Company has been serving rural revitalisation and orderly promoting targeted assistance and industry support to bridge the digital divide. We have promoted universal service, provided diversified products and services truly suitable for the elderly, so that different people can share the fruits of digital development. The Company has been actively carrying out social welfare activities and helping the underprivileged. 96 "Caring Stations" have been awarded the title of "Most Beautiful Trade Union Outdoor Worker Service Station" by the All-China Federation of Trade Unions. The Company insists on open and cooperation, and works with the industry and industry chain partners to build an ecology of national cloud and prosper the digital technology ecology to build a community of shared interests. The Company has been involved in building digital information infrastructure in countries along the "Belt and Road" to promote global network inter-connection and inter-communications and support local community development.

In the new era and on the new journey, China Telecom will firmly fulfil its missions and responsibilities in building Cyberpower and Digital China as well as maintaining network and information security, seize new opportunities arising from digital development, comprehensively and deeply implement the "Cloudification and Digital Transformation" strategy, accelerate the construction of a world-class enterprise, and make new and greater contributions to the sustainable economic and social development.

