

Press Release
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Continued to Consolidate Core Advantages
Strengthened Profitability with Payout Ratio Further Increased to 68%

(8 March 2021, Hong Kong) The world's largest telecommunications infrastructure service provider **China Tower Corporation Limited** ("China Tower", or the "Company") (Stock Code: 0788.HK) is pleased to announce its annual results for the year ended 31 December 2020.

Performance Highlights

RMB Million	2020	2019	Change
Operating revenue	81,099	76,428	6.1%
EBITDA	59,527	56,696	5.0%
Profit attributable to owners of the Company	6,428	5,222	23.1%
Basic earnings per share (RMB yuan)	0.0368	0.0297	23.9%
Key operating data			
Number of tower sites (thousand)	2,023	1,994	1.5%
Number of tower tenants (thousand)	3,361	3,239	3.8%
Tower tenancy ratio (tower tenants / tower sites)	1.66	1.62	2.5%

The Company's revenue maintained stable and healthy growth in 2020 while profitability continued to improve. Our operating revenue for 2020 recorded a 6.1% year-on-year increase to reach RMB81,099 million; our EBITDA¹ amounted to RMB59,527 million, with a 73.4% EBITDA margin². Profit attributable to owners of the Company totaled RMB6,428 million, up by 23.1% over the previous year, with a net profit margin of 7.9%.

Our cash flow remained strong while the debt leveraging level was stable and healthy. Net cash generated from operating activities amounted to RMB57,548 million in 2020. Capital expenditures amounted at RMB37,122 million, while our free cash flow³ reached RMB20,426 million. As of 31 December 2020, our total assets reached RMB337,380 million and interest-bearing liabilities amounted to RMB112,871 million, with a gearing ratio⁴ of 36.7%.

Aligned with our commitment to providing good returns to our shareholders, the Board of Directors recommends to pay a final dividend of RMB0.02235 (pre-tax) per share for the year ended 31 December 2020, equivalent to a payout ratio of 68% of our annual distributable net profit.

Supporting 5G network construction efficiently and maintaining stable growth in TSP business

Note 1: EBITDA is calculated by operating profit plus depreciation and amortization.

Note 2: EBITDA margin is calculated by dividing EBITDA by operating revenue, and multiplying the resulting value by 100%.

Note 3: Free cash flow is the net cash generated from operating activities minus the capital expenditures.

Note 4: Gearing ratio is calculated as net debt divided by the sum of total equity and net debt, then multiplied by 100%.

Net debt is calculated as the amount of interest-bearing liabilities minus the amount of cash and cash equivalents.

In 2020, in view of the accelerated 5G network deployment and the scaling of 5G construction, we strengthened the market-oriented approach with customer demands and 5G new features in mind. We continued to drive resource sharing by making full use of both existing resources and social resources and stepping up technological and product innovation to drive construction and service model transformation. By accelerating the implementation of our integrated wireless communications coverage solutions, we were able to meet customer demands with cost-effective, intensive and high-performing network coverage solutions. Our competitive advantages in low cost, high efficiency and quality services were further reinforced, supporting the stable growth of our TSP business.

As of the end of 2020, we managed a total of 2.023 million tower sites, representing an increase of 29,000 compared to the end of 2019. The number of TSP tenants reached 3.175 million, representing an increase of 112,000 compared to the end of 2019. Our TSP tenancy ratio reached 1.57. With regard to our DAS business, we had covered buildings with a cumulative area of 4,060 million square meters, while high-speed railway tunnels and subway coverage totaled a cumulative length of 12,702 kilometers.

In 2020, our TSP business revenue reached RMB76,899 million, or a 3.8% increase year-on-year, among which tower business revenue increased by 2.8% to RMB73,371 million, while DAS business revenue increased by 32.7% to RMB3,528 million.

Fostering competitive advantages to accelerate the growth of Two Wings business

Developing through sharing and collaboration is our founding principle, which has enabled us to fully leverage our resources and strengths to promote product innovation and better platform operation in key sectors. The Two Wings business maintained a good development momentum and has become important driver for revenue growth and value enhancement. In 2020, the Two Wings business recorded revenue of RMB3,939 million, or a year-on-year increase of 89.4%.

The TSSAI business sustained rapid growth. Along with the accelerated pace of informatization across society, we captured timely opportunities to develop two types of services around resource sharing and data information. Targeting key clients in important sectors relating to national economy and peoples' livelihoods, such as environmental protection, forestry, lands, water resources, we enhanced our integrated information service abilities and continued to deliver rapid growth in our TSSAI business. In 2020, revenue generated from our TSSAI business reached RMB3,004 million, or a year-on-year growth of 59.2%.

The energy operation business achieved considerable breakthrough in scale. Leveraging the advantage of our site resources and expertise in securing power supply and operation, we have taken proactive steps to expand socialized energy applications and services. In 2020, aligned to our core business segments of battery exchange and power backup, we enhanced our product platform, expanded our customer base and built our brand advantages. While building up our market competitiveness, we achieved initial breakthrough in scale. As of 31 December 2020, we have cumulatively developed 301,000 paid users for our battery exchange services. In 2020, our energy operation business generated revenue of RMB935 million.

Mr Tong Jilu, Chairman of China Tower said, “Looking forward, we will seize the opportunities to achieve the goal of building an enterprise with the best potential for growth and value creation. We will continue to uphold our resource sharing to promote stable revenue growth and enhance the value of our Company, and to achieve high-quality development featured ‘One Core and Two Wings’ strategy.”

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About China Tower

Since its incorporation on 15 July 2014, China Tower Corporation Limited (“China Tower”) has developed into the world’s largest telecommunications tower infrastructure service provider with compelling market advantage under the national strategy of Cyberpower. China Tower was listed on the Main Board of Hong Kong Stock Exchange on 8 August 2018 (Stock Code: 0788.HK), raising approximately HK\$58.8 billion. The Company implements the strategy of “One Core and Two Wings”. “One core” refers to the traditional tower business and indoor Distributed Antenna System (DAS) business, which provide services to the TSPs based on site resources; while “Two Wings” refers to the Trans-sector Site Application and Information (TSSAI) business which mainly provides tower site resources and data information services to different industries, as well as energy operation business to satisfy the growing demands on energy services in the society, such as power backup and generation, charging, battery exchange and echelon use of batteries. China Tower adheres to the “sharing” philosophy for business development. It promotes site co-location and provides a wide range of services to fulfill the specific needs of its customers. As of the end of December 2020, the Company’s total assets amounted to RMB337,380 million. China Tower operated and managed 2.023 million tower sites across 31 provinces, municipalities and autonomous regions in the PRC, and served over 3.361 million tenants with the tenancy ratio of 1.66.

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