



Fully Implemented “One Core and Two Wings” Strategy

Maintained Steady and Continuous Growth in Overall Performance

(9 March 2022, 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 2021.

Performance Highlights

RMB Million	2021	2020	Change
Operating revenue	86,585	81,099	6.8%
EBITDA	63,017	59,527	5.9%
Profit attributable to owners of the Company	7,329	6,428	14.0%
Basic earnings per share (RMB yuan)	0.0419	0.0368	13.9%
Key operating data			
Number of tower sites (thousand)	2,038	2,023	0.7%
Number of tower tenants (thousand)	3,459	3,361	2.9%
Tower tenancy ratio (tower tenants / tower site)	1.70	1.66	2.4%

Our revenue maintained a healthy growth and increased steadily in 2021 and our profitability continued to improve. In 2021, we recorded operating revenue of RMB86,585 million, with a year-on-year increase of 6.8%. Our EBITDA¹ reached RMB63,017 million, up by 5.9% year-on-year, with an EBITDA margin² of 72.8%. Profit attributable to owners of the Company amounted to RMB7,329 million, up by 14.0% year-on-year, with a net profit margin of 8.5%.

We maintained a stable and abundant cash flow. In 2021, net cash generated from operating activities amounted to RMB60,503 million, while capital expenditures reduced by 32.1% year-on-year to RMB25,192 million, resulting in our free cash flow³ increasing 72.9% year-on-year to reach RMB35,311 million. Our debt leverage ratio was stable and manageable, and our financial position remained healthy. As of 31 December 2021, our total assets amounted to RMB323,259 million, and our interest-bearing liabilities stood at RMB101,304 million, representing a gearing ratio⁴ of 33.4%.

Aligned with our commitment to providing good returns to our shareholders, the board of directors of the Company recommends paying a final dividend of RMB0.02624 per share (pre-tax) for the year ended 31 December 2021, equivalent to a payout ratio of 70% of our annual distributable net profit.

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.

Supporting the construction of 5G network in an intensive and effective manner, our TSP business continued to grow steadily

Our belief in sharing and creating synergy continued to prevail as the coverage and depth of the 5G networks extended constantly at an even faster rate. Based on the new features of 5G network construction, we fully leveraged our advantages in resource coordination and sharing, as well as expertise in operations, to launch innovative and cost-effective products and solutions. We integrated these products and solutions to speed up the launch of our integrated wireless communications coverage solutions and DAS sharing solutions to meet the network coverage demands of our customers by offering a low-cost, highly efficient and quality service. In 2021, we completed approximately 552,000 5G construction projects, supporting the large-scale construction of 5G networks in an economic and efficient manner. Meanwhile, 5G has become an increasingly key driver for the growth of our TSP business, which in turn propelled our overall business to grow steadily, cementing our position as the market leader in the construction and operation of telecommunications infrastructure.

As of the end of 2021, the total number of our tower sites had reached 2.038 million, representing a net increase of 15,000 compared to the end of 2020. The total number of TSP tenants amounted to 3.260 million, 85,000 more than at the end of 2020. Our TSP tenancy ratio increased from 1.57 at the end of 2020 to 1.60. In terms of our DAS business, we covered buildings with a cumulative area of 4.99 billion square meters, up by 22.9% year-on-year, while the cumulative length of high-speed railway tunnels and subways covered reached 16,906.0 kilometers, an increase of 33.1% year-on-year.

In 2021, our TSP business revenue recorded a year-on-year increase of 4.3% to RMB80,197 million, of which tower business revenue increased by 3.4% year-on-year to RMB75,857 million and DAS business revenue increased by 23.0% year-on-year to RMB4,340 million.

Focused on boosting new growth momentum, the development of Two Wings business started to show remarkable results

We seized the opportunities brought by the development of the digital economy and actively responded to the national “dual carbon” goals. Leveraging our unique advantages in resources and capabilities, we maintained a clear focus on product innovation and platform optimization to fortify our core competencies and expand our market. As a result, the Two Wings business continued to scale rapidly, helping to strengthen the multi-pillar development structure and create new growth momentum for the Company. In 2021, our Two Wings business recorded revenue of RMB6,131 million, or an increase of 55.6% year-on-year. It accounted for 7.1% of overall operating revenue and contributed 40.0% to the incremental revenue in the year.

Focused on key sectors, the Smart Tower business sustained a rapid growth. We seized the opportunity of digital transformation across the society, drawing on our abundant site resources and our largest domestic tower sharing and practical Internet of Things platforms to focus on key sectors centered around our Tower Monitoring service to drive the transformation of telecommunications towers into digital towers. With a coordinated approach, we continued to delve into key sectors including forestry, water conservation, agriculture and environmental protection, which are connected to major national projects such as the conservation of the Yangtze River, and forest and grassland fire prevention. As a result, we achieved a rapid growth and established our brand as a company that serves people’s livelihoods and makes contribution to social governance. We developed our innovative national “Tower Monitoring” platform and deepened strategic cooperation with industry partners in the areas of algorithms, cloud resources, transmission and terminals, in order to grow together with our partners. In 2021, our Smart Tower business achieved revenue of RMB4,060 million, a year-on-year increase of 35.2%, of which 51.6% was contributed by our Tower Monitoring business. Our Tower Monitoring

business achieved revenue of RMB2,096 million. This reflects a continued shift of our business from resource leasing towards digital applications with higher value.

Further strategic planning helped our Energy business grow in scale. Drawing on our expertise in energy operations and securing power supply, we continued to expand the scale of operations of our Energy business, centering around core areas such as battery exchange and power backup. We accelerated the economical and efficient establishment of internet-connected, environmentally friendly and smart battery exchange facilities, with a focus on key sectors such as finance, healthcare and transportation. We also introduced four-in-one power security solutions that cover power backup, power generation, monitoring and maintenance, which drove a rapid growth in the number of users and revenue. As of the end of 2021, we had developed a cumulative 612,000 users for our tower battery exchange services, an increase of 311,000 from the end of 2020, making us the largest operator of battery exchange services for light electric vehicles in China. Our Energy business recorded revenue of RMB2,071 million in 2021 with a year-on-year increase of 121.5%, of which the tower battery exchange business accounted for revenue of RMB1,243 million, representing a growth of 239.6% year-on-year.

Mr. Zhang Zhiyong, Chairman of China Tower said, “Looking ahead, we will further our ‘One Core and Two Wings’ strategy to seize opportunities arising from the development of 5G new infrastructure and the digital economy, as well as the ‘dual carbon’ goals. Our position as a ‘world-class integrated information and communications infrastructure service provider and a highly competitive information and new energy applications provider’ will see us developing an operating system that is professional, intensive, delicate, efficient and digitalized. We will use this to build an enterprise centered around sharing, service, innovation, technology and value creation. We will sustain the stable growth of our operating results and strive for value growth and the sustainable and high-quality development of the Company.”

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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. 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 Smart Tower business which mainly provides tower site resources and information services to different industries, as well as Energy business to satisfy the growing demands on innovative energy services in the society, such as battery exchange, power backup and charging. 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 2021, the Company’s total assets amounted to RMB323,232 million. China Tower operated and managed 2.038 million tower sites across 31 provinces, municipalities and autonomous regions in the PRC, and served over 3.459 million tenants with the tenancy ratio of 1.70.

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