



Steadily Implements "One Core and Two Wings" Strategy
Net Profit Maintains Rapid Growth
Dividend Payout Ratio Rises Further to 72.0%

(2 March 2023, 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 2022.

Performance Highlights

RMB Million	2022	2021	Change
Operating revenue	92,170	86,585	6.5%
EBITDA	62,844	63,017	-0.3%
Profit attributable to owners of the Company	8,787	7,329	19.9%
Basic earnings per share (RMB yuan)	0.0503	0.0419	20.0%
Key operating data			
Number of tower sites (thousand)	2,055	2,038	0.8%
Number of tower tenants (thousand)	3,583	3,459	3.6%
Tenancy ratio (tenants / tower site)	1.74	1.70	2.4%

Our operating revenue grew steadily by 6.5% year-on-year, reaching RMB92,170 million in 2022. EBITDA¹ reached RMB62,844 million, with an EBITDA margin² of 68.2%. Profit attributable to owners of the Company was RMB8,787 million, with a year-on-year growth of 19.9%. Our net profit margin was 9.5%, showing a continued improvement in profitability.

Our cash flow remained robust, with net cash generated from operating activities for 2022 reaching RMB65,134 million. Capital expenditures stood at RMB26,207 million, while free cash flow³ reached RMB38,927 million, or growth of 10.2% year-on-year. Our financial position remained healthy. As of 31 December 2022, total assets reached RMB305,560 million, interest-bearing liabilities were RMB79,119 million and our gearing ratio⁴ was 27.7%, a decrease of 5.7 percentage points from the year before.

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.

Shareholder returns are one of our priorities. After considering our profitability, cash flow, and future development needs, the board of directors of the Company (the “Board”) has recommended a final dividend of RMB0.03232 per share (pre-tax) for the year ended 31 December 2022, equivalent to a payout ratio of 72% of our annual distributable net profit.

Driven by the “5G + DAS” dual growth engines, TSP business grew steadily

We capitalized on the increasing penetration of 5G network coverage by reinforcing our advantages in resource coordination and sharing and professional management to streamline our construction and service models. This has enabled us to address our customers’ network construction needs in an intensive and effective manner. Our TSP business revenue reached RMB83,031 million in 2022, an increase of 3.5% year-on-year.

Tower business. We advocated for the inclusion of 5G base-station sites in development planning and played an active role in setting the wireless communications specifications for buildings. Complying with these specifications, we have been included in the administrative approval process for new construction projects, further strengthening our ability to coordinate and share resources. We launched innovative low-cost construction solutions to sharpen our capability in providing integrated wireless communications coverage solutions. A higher level of resource sharing enabled us to comprehensively satisfy customer demand for 5G construction. We completed approximately 745,000 5G base-stations during the year, of which more than 96% were delivered through sharing existing resources. In addition, we focused our efforts on tackling difficult sites and continued to enhance our service quality. Alongside an improving capability in site maintenance, customer satisfaction grew. In 2022, our Tower business generated revenue of RMB77,204 million, or year-on-year growth of 1.8%. As of 31 December 2022, we managed 2.055 million tower sites, representing a net increase of 17,000 sites from the end of 2021. The number of TSP tenants reached 3.362 million, an increase of 102,000 from the end of 2021, and the TSP tenancy ratio also increased from 1.60 to 1.65 over the same period of last year, showing a continuous increase in the level of site co-location.

DAS business. We focused on providing 5G coverage for key scenarios and key sectors including education, cultural tourism, transportation and healthcare, with an integrated approach to coordinating resources and demands. Playing an important role in coordinating site entry and construction, we were able to take up all DAS construction demand for key venues, scenarios and sectors, providing customers with differentiated and diversified indoor coverage solutions. In addition, we stepped up innovation to develop sharable DAS products and solutions. We enhanced our professional capabilities to optimize our advantages in providing low-cost and green and low-carbon DAS solutions, complemented by our quality services, driving accelerated growth in the DAS business. This business has increasingly become the second growth engine of our development. In 2022, our DAS business recorded revenue of RMB5,827 million, representing a year-on-year increase of 34.3%. As of 31 December 2022, we had covered buildings with a cumulative area of 7,390 million square meters, representing a year-on-year increase of 48.1%. Our high-speed railway tunnels and subway coverage reached a cumulative length of 20,040.2 kilometers, a year-on-year increase of 18.5%.

Grasping strategic opportunities to boost strong growth in Two Wings business

By leveraging the opportunities brought forth by the growth of the “digital economy” and the “dual carbon” goals, we focused on product innovation and business optimization to fortify our competitive advantages. As a result, the Two Wings business sustained a robust growth trajectory with revenue in 2022 reaching RMB8,904 and accounting for 9.7% of our overall operating revenue, an increase of 2.6 percentage points from the same period in 2021. The business contributed 49.7% to our incremental operating revenue for the year, an increase of 9.7 percentage points year-on-year, further solidifying our multi-pillar business development structure.

With a focus on “Digital Tower”, Smart Tower business growth accelerated. Serving the national strategic goals. We stood at the forefront of the digital economy to seize opportunities arising from its development, playing a proactive role in building the national governance system. By upgrading over 200,000 “telecommunication towers” to “digital towers”, we helped enforce fishing prohibition along the Yangtze River, as well as taking part in ecological restoration, farmland protection, forestry fire prevention and other national initiatives. In doing so, we contributed to projects including alleviating pollution, conserving the ecology of the Yangtze River and safeguarding China’s 1.8 billion mu of farmland. This approach not only supported the development of Ecological China and Beautiful China, but also enhanced efficiency and value of the Company.

Enhancing product capabilities. We increased investment in research and development (R&D) to speed up product upgrade and iteration. Our Tower Monitoring products continued to establish their leadership centered around five areas – platform, data, algorithm, application and operation. We launched seven industrial application of Tower Monitoring products covering the smart protection of forestry, farmland, wheats, blue skies, reservoirs, fishery, and villages, as well as the smart monitoring of straw burning. These products helped us address the diverse needs of our customers.

Upgrading customer services. We have built out a one-on-one, face-to-face and round-the-clock “companion” service system that covers every procedure to offer our customers professional, systematic and personalized services. We put in place sound information security and data protection and are continuously improving our customer service quality. In 2022, our Smart Tower business achieved revenue of RMB5,704 million, a year-on-year increase of 40.5%, of which RMB3,694 or 64.8% was generated from Tower Monitoring business.

Stepping up business development provided strong growth momentum for Energy business. Aligning with the national “dual carbon” goals, we leveraged our abundant site resources to continuously strengthen core capabilities, supporting our overarching strategy of developing our expertise, strengthening our platform, optimizing our service, and building our brand in this space. In core business areas such as battery exchange and power backup, we focused on scaling up and specializing operations. For our **battery exchange business**, we accelerated network expansion in a cost-effective manner, taking a deep dive into the takeaway and delivery market and strengthening collaboration with business customers to maintain growth in our user base. As of 31 December 2022, we have approximately 902,000 battery exchange users, an increase of 290,000 from the end of 2021, further strengthening our leadership position in terms of user base. For the **power backup business**, we focused on key sectors such as telecommunications and finance, enriching our standardized power backup products and marketing the four-in-one solution covering power backup, power generation, monitoring and maintenance, which plays an important role in supporting the smooth running of infrastructure in our society. In 2022, our Energy business achieved revenue of RMB3,200 million, a year-on-year increase of 54.5%, of which the battery exchange business accounted for RMB1,800 million, with its contribution to the Energy business reaching 56.3%.

Mr. Zhang Zhiyong, Chairman of China Tower said, “Looking ahead, we will remain focused on grasping the opportunities brought by the development of 5G new infrastructure, the digital economy, and the green-oriented transition of energy. Anchored around our positioning as a world-class information and communications infrastructure service provider and a highly competitive information and new energy applications provider, we will further the implementation of the “One Core and Two Wings” strategy and continue to drive development centered around sharing, service, innovation, technology and value creation. In doing so, we will build upon an operating system that is professional, intensive, delicate, efficient, and digitalized, solidifying the new paradigm of high-quality development and creating greater value for shareholders, customers, and society.”

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About China Tower (Stock Code: 0788.HK)

China Tower is the world's largest telecommunications tower infrastructure service provider, and the Company always adheres to the philosophy of shared development and implements the "One Core and Two Wings" strategy. The Company is principally engaged in the construction, maintenance and operation of base station ancillary facilities such as telecommunications towers, public network coverage in high-speed railways and subways, and large-scale indoor Distributed Antenna Systems (DAS). Meanwhile, relying on unique resources to provide energy application services such as information application and intelligent battery exchange and power backup to the society, the Company strives to build itself into a world-class information and communications infrastructure service provider, and a highly competitive information and new energy applications provider. As of the end of 2022, the Company's total assets amounted to RMB305,560 million. China Tower operated and managed 2.055 million tower sites across 31 provinces, municipalities and autonomous regions in the PRC, and served over 3.583 million tenants with the tenancy ratio of 1.74.

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