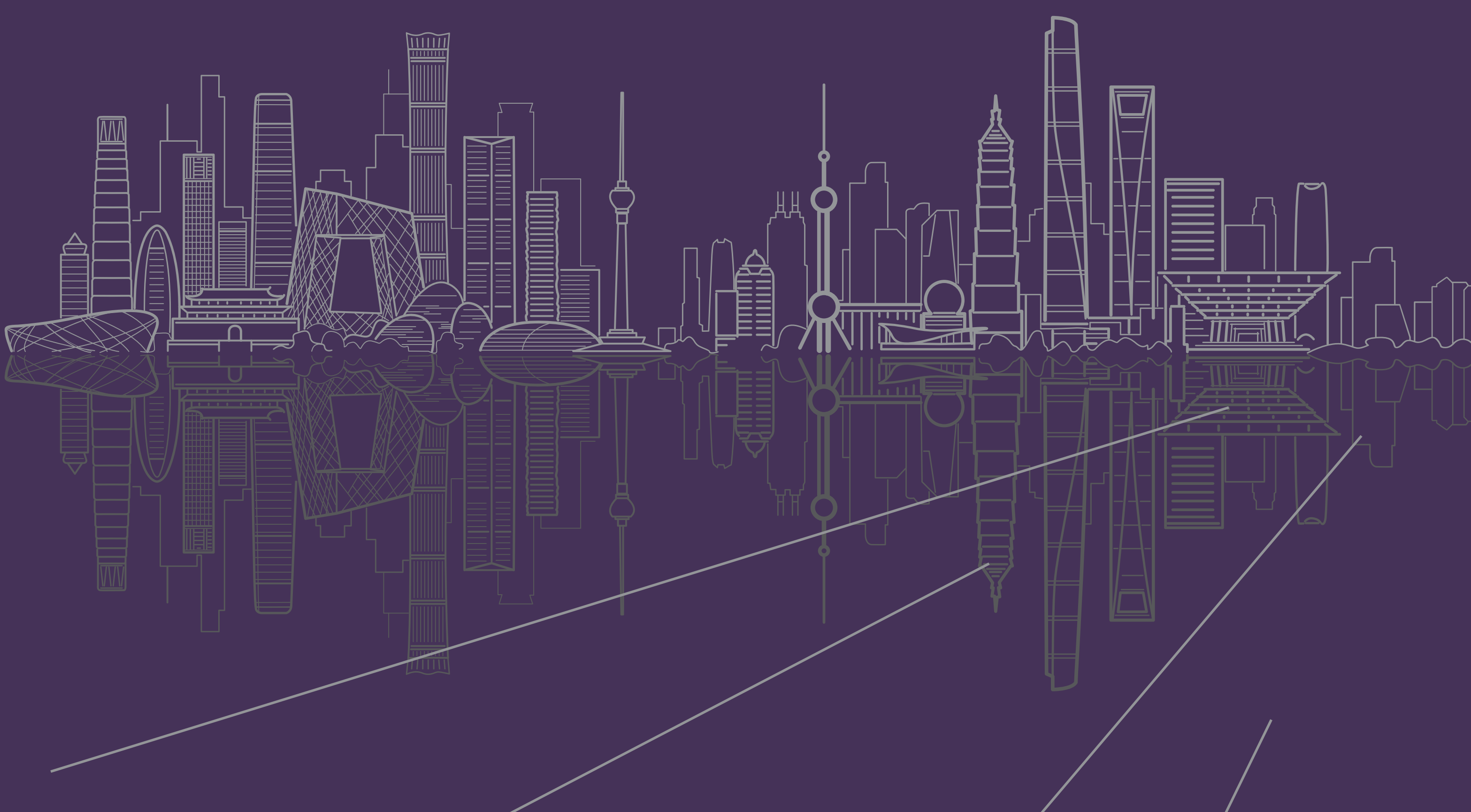
CHINA TOWER
中国铁塔

Annual Report
2024

About China Tower

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 information application services and energy application services such as intelligent battery exchange and power backup to the society, the Company strives to build itself into a world-class integrated digital infrastructure service provider, and a highly competitive information and new energy applications provider. As at the end of December 2024, the Company's total assets amounted to RMB332,834 million. China Tower operated and managed 2.094 million tower sites across 31 provinces, municipalities and autonomous regions in the PRC, and served over 3.791 million tenants with the tenancy ratio of 1.81.



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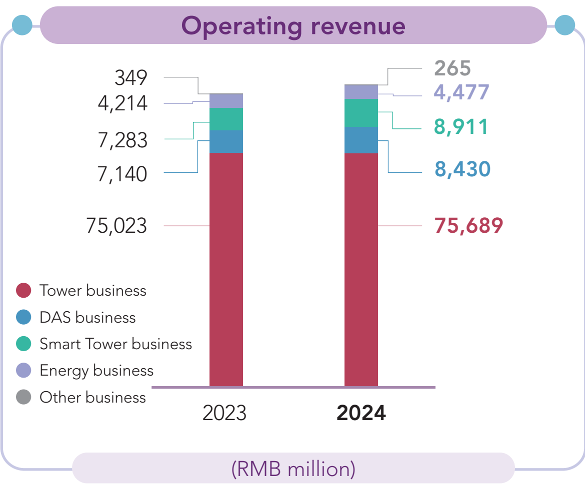
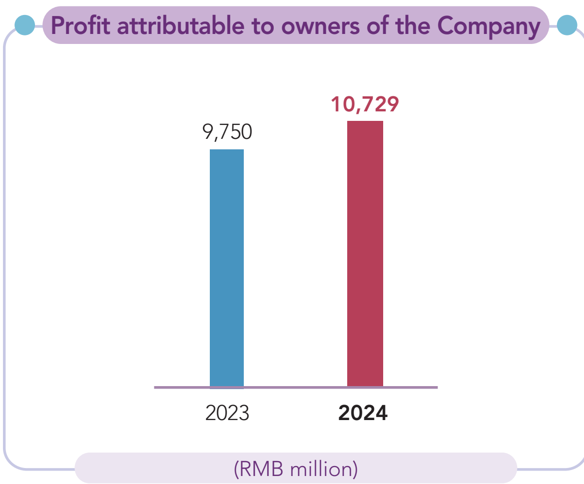
Performance Highlights

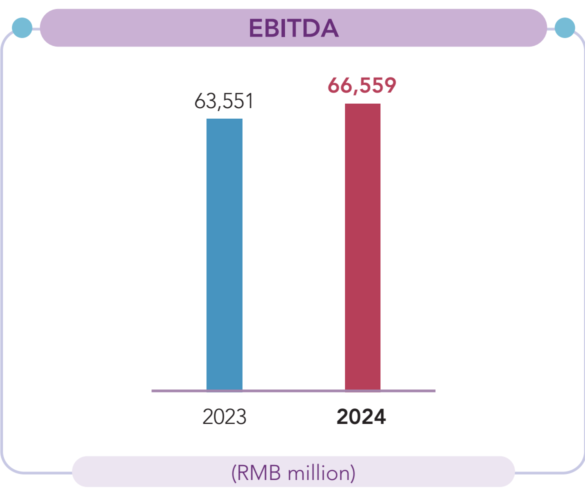
RMB million	**2024**	2023	Change
Operating revenue	**97,772**	94,009	4.0%
of which			
Tower business	**75,689**	75,023	0.9%
DAS business	**8,430**	7,140	18.1%
Smart Tower business	**8,911**	7,283	22.4%
Energy business	**4,477**	4,214	6.2%
Operating profit	**16,330**	14,502	12.6%
EBITDA[1]	**66,559**	63,551	4.7%
Profit attributable to owners of the Company	**10,729**	9,750	10.0%
Capital expenditures	**31,941**	31,715	0.7%
Earnings per Share (RMB Yuan)[2]	**0.6138**	0.5578 *(restated)*	10.0%

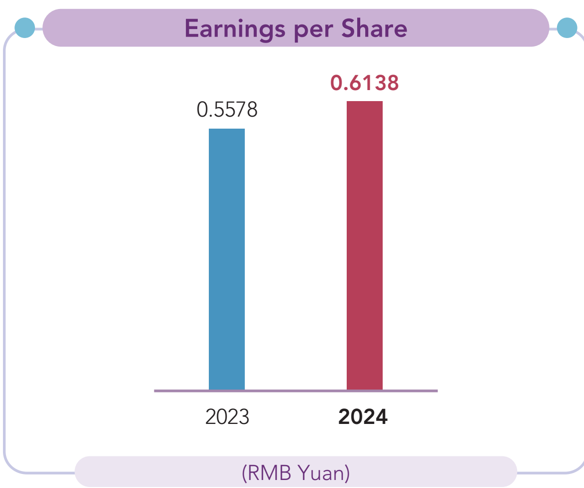
Note 1: EBITDA is calculated by operating profit plus depreciation and amortization.

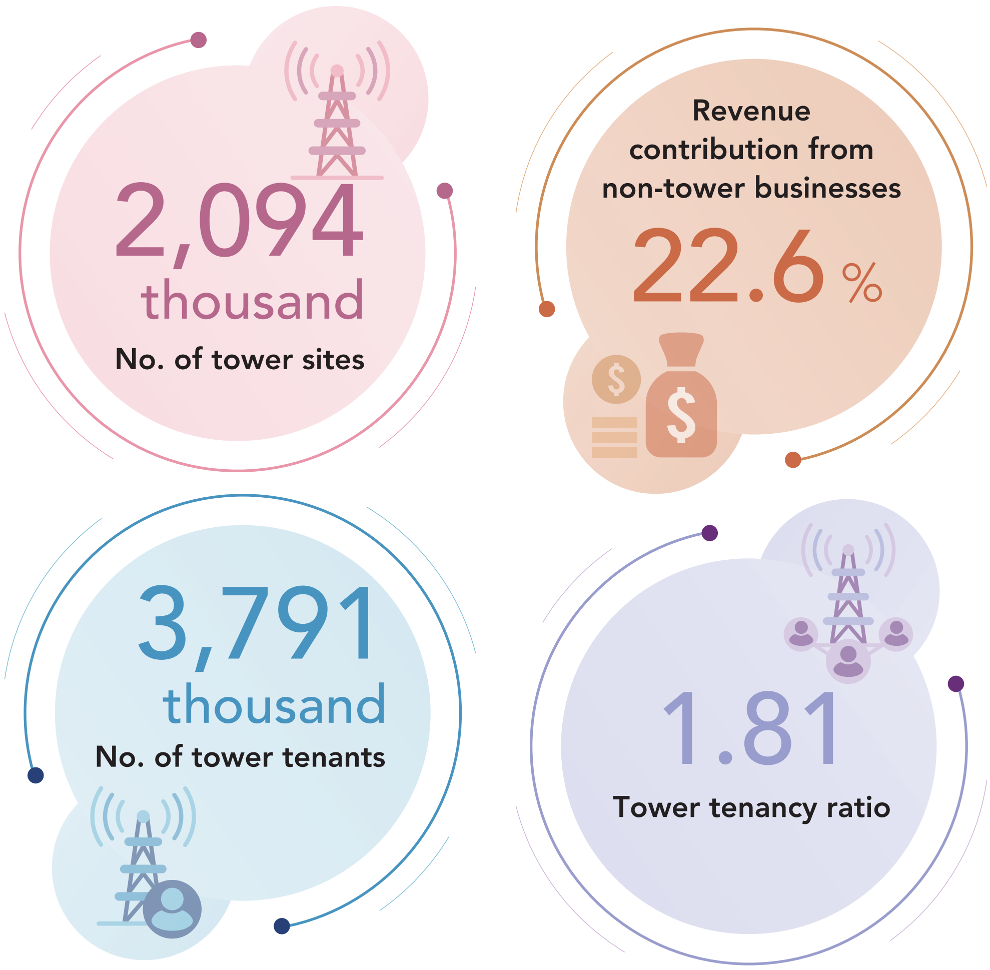
Note 2: Earnings per Share for the years ended 31 December 2024 and 2023 have been adjusted to reflect the effect of the Share Consolidation and Capital Reduction which became effective on 20 February 2025.











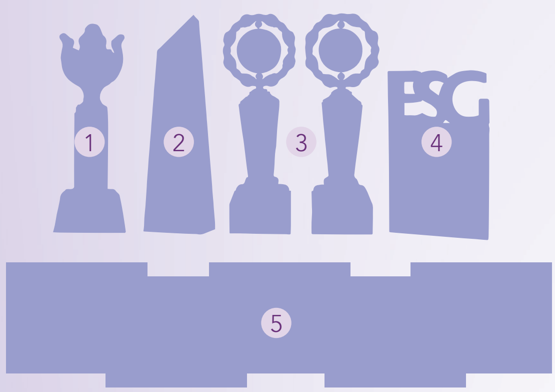
Key operational data

Indicator	Unit	As at the end of 2024	As at the end of 2023	Change (YoY)
Number of tower sites	'000	**2,094**	2,046	2.3%
Number of tower tenants	'000	**3,791**	3,658	3.6%
Tenancy ratio Note 3	Tenants/site	**1.81**	1.79	1.1%
Number of TSP tenants	'000	**3,544**	3,424	3.5%
TSP tenancy ratio	Tenants/site	**1.72**	1.68	2.4%
Average annual revenue per site Note 4	RMB Yuan/year	**40,870**	40,139	1.8%
DAS coverage area in buildings	Million square meters	**12,680**	10,150	24.9%
DAS coverage length in subways	Kilometers	**13,126**	11,625	12.9%
DAS coverage length in high-speed railway tunnels	Kilometers	**16,189**	12,447	30.1%

Note 3: Tenancy ratio = (number of TSP tenants + number of Smart Tower tenants)/number of tower sites

Note 4: Average annual revenue per site = (revenue from Tower business + revenue from Smart Tower business)/[(number of tower sites at the beginning of the period + number of tower sites at the end of the period)/2]

Corporate Recognition



1. China Securities Golden Bauhinia Awards "Best Investment Value Award for Listed Company"
2. Bloomberg Businessweek "Listed Enterprises of the Year 2024"
3. 2024 Hong Kong International ESG List Annual Awards "Best ESG Practice Award", "Best Case at ESG Practice Award"
4. BDO Limited "Outstanding ESG Performance of H-Share Companies Awards"
5. ARC and Galaxy Awards for China Tower's 2023 annual report on cover design and production

Corporate Culture

Core Values

Entrepreneurship and Innovation

Pragmatism and Efficiency

Customer Benefits

Employee Enablement

Our Vision

To become a world-class integrated digital infrastructure service provider and a highly competitive information and new energy applications provider

Our Mission

Sharing and joint-success, building an effective and efficient enterprise

Shareholding Structure

27.93% China Mobile

20.65% China Unicom

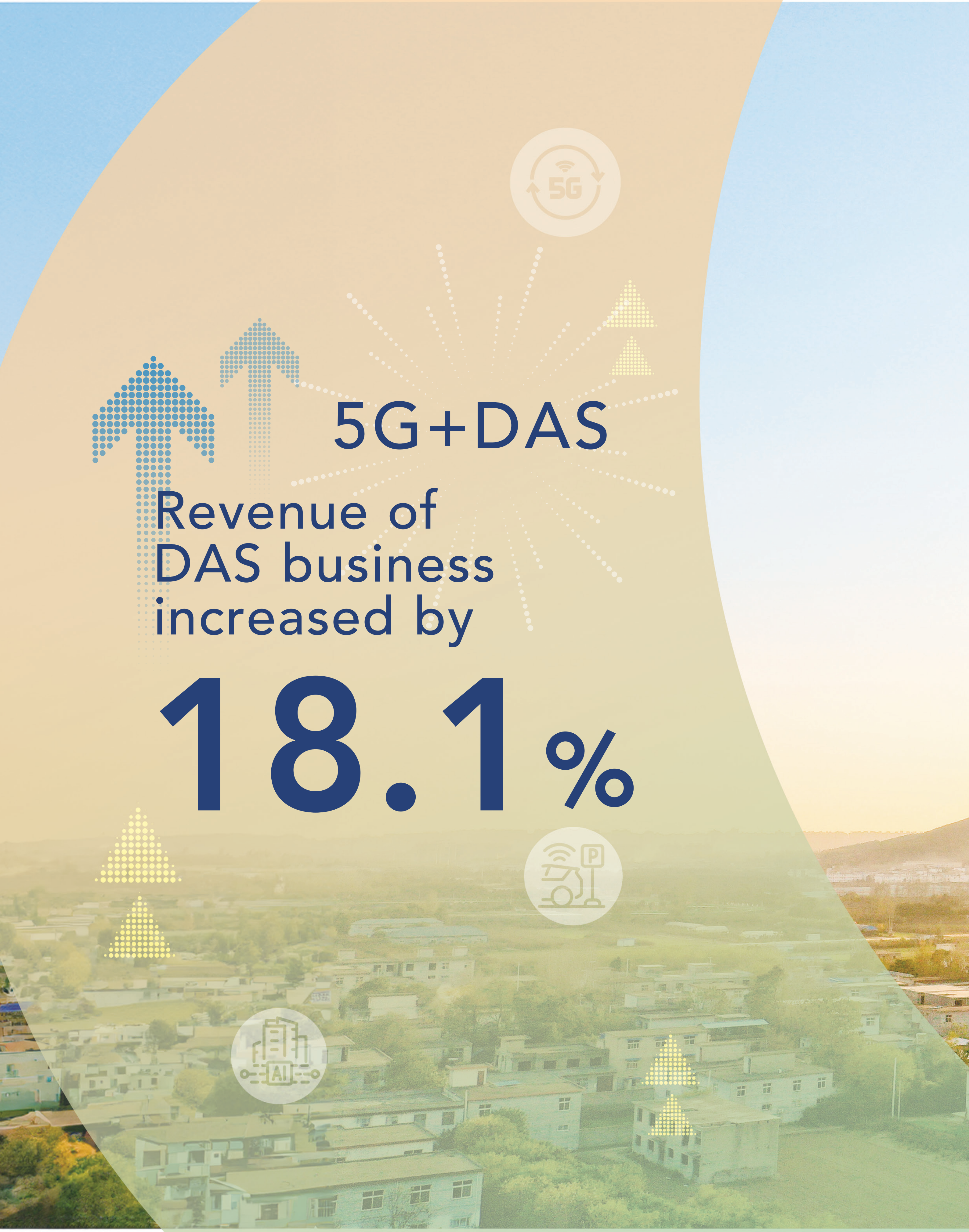
20.50% China Telecom

4.41% China Reform

26.51% Public Shareholders

CHINA TOWER

Domestic Shares H Shares



5G+DAS

Revenue of DAS business increased by

18.1%

Chairman's Statement

Dear Shareholders,

In 2024, China Tower Corporation Limited ("the **Company**" or "**we**") actively seized the opportunities brought about by the state strategies of "Cyberpower", "Digital China", and "Dual Carbon" goals. Centered around the strategic positioning of a "world-class integrated digital infrastructure service provider and a highly competitive information and new energy applications provider", we continued to develop our business in terms of sharing, service, innovation, technology and value creation, establishing an operating system that is professional, intensive, delicate, efficient and digitalized. We focused on reinforcing our core operational capabilities and competitiveness. Our business developments met expectations, our overall performance achieved steady growth, and our high-quality development capabilities and corporate value were further enhanced.

Zhang Zhiyong

Chairman of the Board

Financial Performance

In 2024, the Company's operating revenue maintained steady growth, reaching RMB97,772 million, an increase of 4.0% year-on-year. EBITDA reached RMB66,559 million, an increase of 4.7% year-on-year, with an EBITDA margin[1] of 68.1%. Profit attributable to the owners of the Company reached RMB10,729 million, an increase of 10.0% year-on-year, with a net profit margin of 11.0%, demonstrating a continuous improvement in profitability.

Net cash generated from operating activities amounted to RMB49,468 million, an increase of RMB16,628 million year-on-year. Capital expenditures stood at RMB31,941 million, with free cash flow[2] reaching RMB17,527 million, up by RMB16,402 million year-on-year.

As at 31 December 2024, our total assets amounted to RMB332,834 million, with interest-bearing liabilities of RMB92,542 million and a gearing ratio[3] of 31.0%, representing a decrease of 0.4 percentage point from the end of 2023. Our financial position remains healthy and stable.

The Company attaches great importance to shareholder returns. After considering our profitability, cash flow and future development needs, the Board of the Company has recommended a final dividend of RMB0.30796 per share (pre-tax)[4] for the year ended 31 December 2024. Together with the interim dividend distributed, the total full-year dividend amounted to RMB0.41696 per share (pre-tax)[4], representing an increase of 11.5% compared to 2023 and equivalent to a payout ratio of 76% of our annual distributable net profit.

Business Performance

In 2024, we worked together as a cohesive team, sparing no effort to deepen the "One Core and Two Wings" strategy. We continued to strengthen our advantages in resource coordination and enhance our capabilities in reform and innovation. As a result, we achieved steady business growth and enhanced operating efficiency, while further solidifying the foundations for high-quality and sustainable development.

Note 1: EBITDA margin is calculated by dividing EBITDA by operating revenue, and multiplying the resulting value by 100%.

Note 2: Free cash flow is the net cash generated from operating activities minus the capital expenditures.

Note 3: Gearing ratio is calculated as net debts divided by the sum of total equity and net debt, then multiplying the result by 100%. Net debt is calculated as the amount of interest-bearing liabilities minus the amount of cash and cash equivalents.

Note 4: The Company's Share Consolidation and Capital Reduction took effect on 20 February 2025. The Company's total issued share capital was reduced from 176,008,471,024 shares to 17,600,847,102 shares. The final dividend will be distributed and the full-year dividend will be calculated based on the total issued share capital after the aforementioned change in total issued share capital.

Solid foundation enabled stable growth in TSP Business

The Company fully delivered its role as part of a nationwide consortium of telecommunication infrastructure developers and as the leading force in new 5G infrastructure construction. We further overcame challenges in the Dual-Gigabit network joint-entry implementation, as well as in special projects such as upgrading signal strength and extending broadband coverage to all border areas. We were able to capture opportunities presented by the continuous expansion of 5G network penetration and coverage in China. By working continuously to improve resource coordination and sharing, and enhancing our professional operations, we were able to fully satisfy customer network construction needs and maintain stable growth in the TSP business. In 2024, our TSP business recorded a revenue of RMB84,119 million, an increase of 2.4% year-on-year.

Tower business. We focused on high-traffic and high-value scenarios that are of keen interest to our customers, as well as other key scenarios such as high-speed railways, highways, borders and rural areas. We conducted targeted and purposive scenario-based coverage analysis and site planning, strengthened efforts to tackle difficult sites, and supported customers in building 5G premium networks in an intensive and effective manner. We developed and deployed a 3D indoor and outdoor simulation support system to visualize the coverage of planned sites and construction solutions, helping TSPs accurately implement their network coverages. By adhering to a customer-oriented philosophy, we constantly optimized our business processes, standardized business management, and improved the efficiency of order acquisition and delivery, billing and payment collection, enhancing service capabilities and customer satisfaction. In 2024, our revenue from the Tower business amounted to RMB75,689 million, an increase of 0.9% from the previous year. As at 31 December 2024, the Company managed a total of 2.094 million tower sites, an increase of 48,000 year-on-year. We have gained 120,000 new TSP tenants since the end of 2023, bringing the total number of TSP tenants to 3.544 million. Our TSP tenancy ratio increased from 1.68 at the end of 2023 to 1.72, further improving the level of co-location.

DAS business. We continued to strengthen our coordination and sharing capabilities for key scenarios such as large transportation hubs, landmark buildings, subways, large venues, Grade 3A hospitals and tertiary institutions. We collaborated with customers to carry out 5G upgrades on high-speed railways and unleashed more demand for high-value scenarios. Leveraging our advantages of coordinated site entry and construction, and our co-building and co-sharing policies, we actively implemented special projects for covering elevators and underground parking lots and expanded the deployment of shared low-power repeaters to help TSPs quickly and efficiently improve network coverage to elevate people's livelihoods. We continued to enhance product and solution design capabilities and innovation in DAS shared products, which enabled us to provide customers with differentiated active and passive DAS sharing solutions, meeting the demand for upgrading of existing DAS to 5G network. In 2024, our revenue from the DAS business reached RMB8,430 million, an increase of 18.1% year-on-year. As at 31 December 2024, we had covered buildings with a cumulative area of 12.68 billion square meters, up by 24.9% year-on-year, while high-speed railway tunnels and subway coverage reached a cumulative length of 29,315 kilometers, up by 21.8% year-on-year.

Forged strengths to achieve healthy growth of Two Wings business

During the year, in view of the opportunities brought about by the development of the digital economy and the "Dual Carbon" goals, we worked continuously to strengthen product innovation, optimized business planning, further improved our core competencies, and promoted the healthy development of our Two Wings business. In 2024, the revenue of the Two Wings business reached RMB13,388 million and accounted for 13.7% of our overall operating revenue, an increase of 1.5 percentage points over the same period last year.

Smart Tower business. We fully leveraged our core capabilities and advantages in spatial digital intelligence governance to serve the national development strategies of "Digital China" and "Beautiful China", continuously refining our Smart Tower business. **We expanded our Smart Tower business across vertical sectors to consolidate our leading position**. This was achieved by deepening strategic cooperation with key customers, creating premium projects across various industry segments. As a result, we secured leadership in incremental domestic market share in a number of key scenarios such as disaster alert and farmland protection. **We enhanced research and innovation to foster core capabilities**. In these areas, we fortified the distributed deployment on our platform and strengthened algorithm development for mid-to-high point scenarios, building a strong platform foundation and focusing on key service scenarios. **We identified additional customer demands to promote service upgrades**. This saw us enhancing our localized technical support teams and improving our "companion" service capabilities to meet customers' iterative development needs in a timely manner and achieved high-quality project delivery. Relying on the large-scale operation and maintenance system, we built a professional network management platform, equipped with the ability to accurately diagnose incidents occurring in the terminal devices, dispatch tasks in real time and handle incidents in a timely manner. **We deepened service integration and strengthened industry collaboration**. By expanding our partner base as well as signing strategic cooperation agreements with tertiary institutions and leading enterprises, we achieved coordinated development.

In 2024, the Smart Tower business generated revenue of RMB8,911 million, up by 22.4% year-on-year, among which, revenue from our Tower Monitoring business reached RMB5,539 million, accounting for 62.2% of our revenue from the Smart Tower business.

Energy business. We focused on key business segments such as battery exchange and power backup, refining operations and solidifying product, service and platform competitiveness in order to turn Energy business into a specialized business stream. **For the battery exchange business**, we continued to engage users more effectively in the delivery and courier markets, enhancing service capabilities and achieving stable user growth. As at 31 December 2024, the number of battery exchange users reached 1.304 million, an addition of 159,000 since the end of 2023, further maintaining our leading position in the market for battery exchange for low-speed electric vehicles. We leveraged the opportunities brought about by national policies on safe charging, giving full play to our own capabilities and advantages in laying out economic and efficient community charging infrastructure and providing safe and convenient battery charging services for low-speed electric vehicles to the community. These efforts helped expand our customer base of our battery exchange business. **For the power backup business**, we focused on pivotal industries such as telecommunications and finance, along with key scenarios, to expand our premium customer base. We used our reliable power backup service as an entry point to explore the demand for monitoring, energy consumption management and maintenance services, providing a comprehensive "power backup +" industry solution and forging the "energy butler" brand.

In 2024, our Energy business achieved revenue of RMB4,477 million, a year-on-year increase of 6.2%, of which the revenue from battery exchange business accounted for RMB2,500 million, with its contribution to the Energy business reaching 55.8%.

Greater support for technological innovation empowered business development

The Company continued to improve its system for innovation and accelerated technological capabilities development. Focusing on key areas such as green and low-carbon development, DAS, edge computing networks and AI, we addressed the challenges in core technologies and accelerated the application of these innovations to provide strong support for business development. Our six scientific and technological innovation centers have been fully operational. These facilities contributed to the building of innovation highlands that integrate product R&D, commercialization, industry incubation and talent cultivation. We further promoted the management of the "four lists" of competencies and capabilities, task and project planning, resource allocation, and the commercialization of research outcomes. In doing so, we effectively improved innovation, efficiency and effectiveness. In 2024, our R&D investment and the number of R&D personnel increased by 40% and 60% respectively, compared to 2023. During the same period, the number of patent applications and authorizations surged by 58% and 68% respectively. We established science and technology associations and promoted innovation through the formation of joint laboratories and joint innovation centers, and partnered with research institutes, well-known tertiary institutions, and leading enterprises, achieving deep integration and collaborative innovation across the upstream and downstream of the industrial chain. The various forms of collaboration have helped create a high-level ecosystem, effectively harnessing technology and innovation synergy.

Corporate Governance and Social Responsibility

The Company actively practiced the concept of environmental, social and governance (ESG) by continuously improving its ESG management system, deepening integration of ESG management and business operations, and completing the meticulous disclosure of ESG information. We strictly adhere to the rules and regulations governing listed companies and other regulatory requirements. We also seek ways to improve governance mechanisms and maintain a high standard of corporate governance. We constantly improve our internal control systems, strengthen the management of compliance operations, and effectively enhance risk prevention and control.

We always integrate the fulfillment of social responsibility into our corporate development strategy and daily operations through multi-layered initiatives such as technological innovation, resource sharing, green and low-carbon practices, and our efforts to improve people's livelihoods. These initiatives have won wide recognition from our stakeholders. In 2024, we fully implemented green development initiatives by promoting the "Digital Infrastructure Co-built and Co-share Project", expanding the applications of green energy such as deploying photovoltaic power generation and energy storage systems at base stations, and taking practical actions to fulfill our "Dual Carbon" responsibilities. We successfully completed major communications and network information security services, including for the 14th National Winter Games and the "Two Sessions". We responded quickly to natural disasters such as earthquakes and floods, providing emergency communications support to ensure the smooth operation of rescue, onsite command and communications security for the protection of people's lives and property. We continued to improve the construction of telecommunication infrastructure in rural and remote areas, helping TSPs to provide inclusive services and narrowing the digital divide. We adapted to local conditions and gave full play to our advantages to further support rural revitalization, improve people's livelihoods, and contribute to the harmonious development of society.

Outlook

Looking ahead, under the guidance of our established strategy, we will seek to further deepen our "One Core and Two Wings" strategy, enhance our core competitiveness to ensure a robust foundation for our solid and high-quality development, and achieve increased growth in our enterprise value, while creating greater returns for our shareholders, customers and society.

TSP business: With increased penetration of 5G network coverage, extended service scenarios and expanded network coverage, we will proactively capture the opportunities presented by national strategies including helping to overcome the challenges in the Dual-Gigabit network joint-entry implementation, and other special projects such as signal strength upgrade and the extension of broadband coverage to all border areas, as well as the "Sailing" action plan for large-scale 5G applications. We will reinforce our advantages in resource coordination and sharing, develop innovative service solutions, and enhance service capabilities, meeting our clients' network construction needs. We will solidify our reputation as a service provider offering optimal costs, efficient delivery and superior maintenance, while minimizing management risks. This will further highlight our role as part of a nationwide consortium of telecommunication infrastructure developers and as the leading force in new 5G infrastructure construction.

Smart Tower business: With the vigorous development of the digital economy and the accelerated empowerment of digital technologies in social governance, we will continue to deepen our presence in key industries such as ecology, security, and sectors that concern people's livelihoods. We will focus on digital-intelligence spatial governance and fully leverage our resource endowments and core capabilities to build a unique mid-to-high point perception network. We will also proactively advance our positioning in emerging industries such as edge computing to empower the digital intelligence transformation across industries, and support the development strategies of "Digital China" and "Beautiful China".

Energy business: We are seeing the acceleration of green transition across society and all aspects of the economy with the efficient development of innovative applications of new energy. We will actively optimize the layout of our battery exchange network, improve user classification management and rapidly expand our user base. By enhancing service levels and user retention, we will consolidate our market leadership in the battery exchange market. We will focus on pivotal industries such as telecommunications and finance along with key scenarios, promote a comprehensive "power backup +" industry solution, and forge the "energy butler" brand. We will strengthen our core capabilities in products and services, and adapt to local conditions to promote the implementation of comprehensive energy services such as photovoltaics, energy storage and saving, effectively supporting the "Dual Carbon" goals.

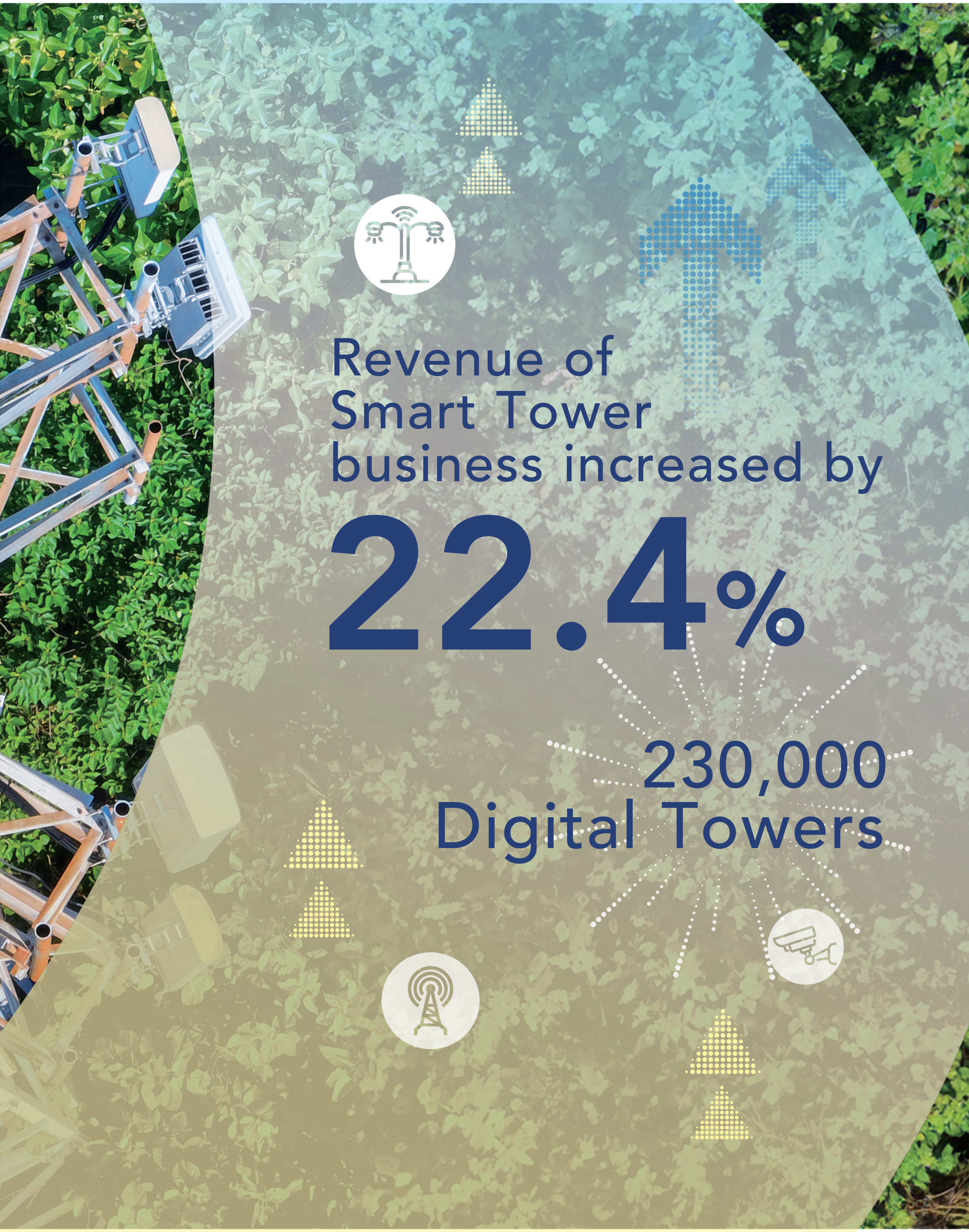
We will continue to optimize the planning of key technological innovations, improve our system for technological innovation, and focus on key areas such as next-generation mobile communications, edge computing networks, AI and new energy. We will address the challenges in original and critical technological breakthroughs, increase our capacity to lead technological innovation, accelerate the commercialization of research outcomes to nurture and grow new quality productive forces and provide strong support and empowerment for the Company's high-quality development.

I would like to take this opportunity to express my gratitude to Mr. Gao Chunlei, who has stepped down as an executive director of the Company. Mr. Gao was diligent and dedicated in his duties and made a tremendous contribution to the implementation of the Company's "One Core and Two Wings" strategy, helping to promote its high-quality development. On behalf of the Board, I would like to extend my sincere thanks to Mr. Gao for his contribution to the Company during his term of service. I would also like to extend my warmest welcome to Ms. Zhang Wei, who has joined the Board.

The Company's achievements and progress over the past year would not have been possible without the hard work of all our employees, the strong support of our customers, and the trust of all our shareholders. Finally, on behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders, customers, and the public for their support, and I sincerely thank all employees for their hard work and dedication.

Zhang Zhiyong
Chairman

Beijing, China, 17 March 2025



Revenue of Smart Tower business increased by

22.4%

230,000 Digital Towers

Management Discussion and Analysis
– Business Overview

Overview

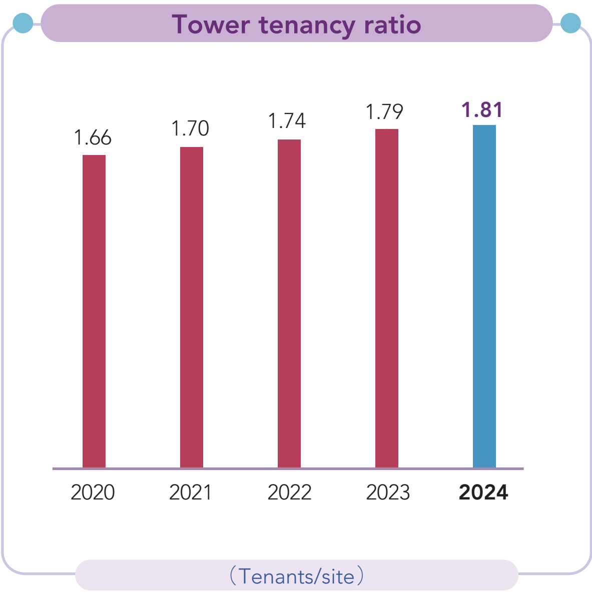
In 2024, positioning ourselves as a world-class integrated digital infrastructure service provider and a highly competitive information and new energy applications provider, the Company embraced development opportunities and continued to deepen the implementation of the "One Core and Two Wings" strategy. Our businesses remained stable and showed improvement, contributing to the steady growth of our overall performance.

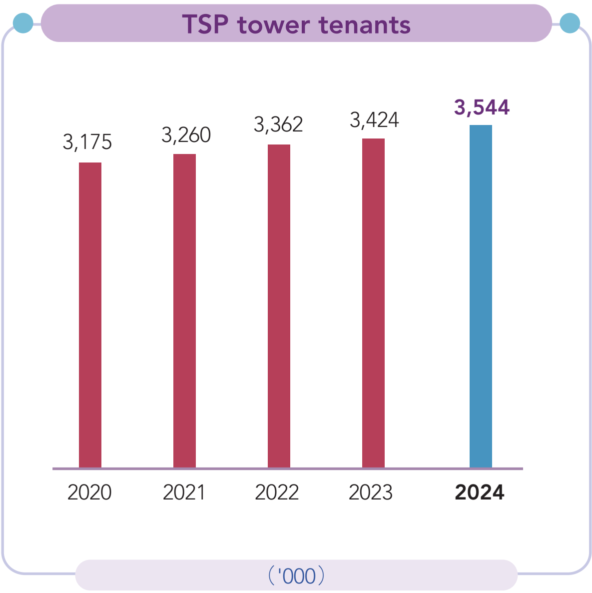
Key operational data

Indicator	Unit	**As at the end of 2024**	As at the end of 2023	Change (YoY)
Number of tower sites	'000	**2,094**	2,046	2.3%
Number of tower tenants	'000	**3,791**	3,658	3.6%
Tenancy ratio Note 1	Tenants/site	**1.81**	1.79	1.1%
Number of TSP tenants	'000	**3,544**	3,424	3.5%
TSP tenancy ratio	Tenants/site	**1.72**	1.68	2.4%
Average annual revenue per site Note 2	RMB Yuan/year	**40,870**	40,139	1.8%
DAS coverage area in buildings	Million square meters	**12,680**	10,150	24.9%
DAS coverage length in subways	Kilometers	**13,126**	11,625	12.9%
DAS coverage length in high-speed railway tunnels	Kilometers	**16,189**	12,447	30.1%

Note 1: Tenancy ratio = (number of TSP tenants + number of Smart Tower tenants)/number of tower sites

Note 2: Average annual revenue per site = (revenue from Tower business + revenue from Smart Tower business)/[(number of tower sites at the beginning of the period + number of tower sites at the end of the period)/2]


Tower tenancy ratio
1.66
1.70
1.74
1.79
1.81
2020
2021
2022
2023
2024
(Tenants/site)


TSP tower tenants
3,175
3,260
3,362
3,424
3,544
2020
2021
2022
2023
2024
('000)

Management Discussion and Analysis
– Business Overview

TSP Business

We fully grasped the opportunities presented by national strategies such as providing assistance for overcoming challenges for the Dual-Gigabit network joint-entry implementation, and participating in special projects such as upgrading signal strength and extending broadband coverage to all border areas. As a key national player and a leading force in the construction of wireless communications infrastructure, we seized opportunities arising from the expansion and higher penetration of the 5G network. By jointly launching special projects with the three TSPs, we established and enhanced the standing collaboration service mechanisms to deliver notable improvement in customer service and to fully satisfy tower construction demand while rapidly scaling up our DAS business. As a result, we achieved stable development of the TSP business as a whole. In 2024, our TSP business recorded revenue of RMB84,119 million, up by 2.4% year-on-year. Of which, our Tower business accounted for RMB75,689 million, up by 0.9% year-on-year. Our DAS business recorded revenue of RMB8,430 million, up by 18.1% year-on-year.

Tower business: We continued to leverage our core capabilities and advantages in resource coordination and sharing, and focused on high-traffic and high-value scenarios that are of keen interest to our customers, as well as other key scenarios such as high-speed railways, highways, and borders and rural areas. We conducted targeted and purposive scenario-based coverage analysis and site planning to support customers in building 5G premium networks in an intensive and effective manner. We developed and deployed a 3D indoor and outdoor simulation support system to visualize the coverage of planned sites and construction solutions, helping TSPs accurately implement their 5G network coverage. In addition, we introduced a collaboration mechanism with our customers to improve service responsiveness by grasping their needs in a comprehensive, accurate and timely manner. We also communicated and agreed with customers beforehand on plans for construction, delivery and leasing. By further strengthening our service expertise and ability to tackle difficult sites, we enhanced customer satisfaction and recognition of the value we offer. As at 31 December 2024, the total number of TSP tenants reached 3.544 million, representing an increase of 3.5% or an addition of 120,000 tenants from the end of 2023. During

the year, we completed approximately 412,000 5G construction orders, with more than 95% of construction demand fulfilled by using existing site resources, and our TSP tenancy ratio reached 1.72.

DAS business: We furthered the integrated and coordinated development of "resources + demands", seizing the opportunities brought about by the implementation of the co-building and co-sharing policies by the Ministry of Industry and Information Technology and 13 other departments and the "Technical Standard for Mobile Communication Infrastructure Engineering of Buildings", as well as by the launch of the special project to upgrade signal strength. We leveraged our advantages in coordinated site entry to actively capture the demand for high-value indoor coverage arising from key sectors such as transportation, cultural tourism, healthcare and education. Focusing on indoor coverage segments and closely aligning with customers' network construction strategies, we specially targeted coverage for elevators, underground parking lots, high-speed railway 5G upgrades and more to enhance our professional service offering. We promoted new solutions and products such as active and passive DAS integration, shared low-power repeaters, 5G spread spectrum leaky coaxial cables, cross-polarization leaky coaxial cables, and 5G shared frequency-shifting dual-path systems, to strengthen our competitive advantages in cost, service quality, and green and low-carbon operations. We further tapped into growth segments and accelerated demand acquisition, as well as improved our service support in the DAS market. As at 31 December 2024, our DAS business covered buildings with a total area of 12.68 billion square meters, an increase of 24.9% year-on-year. We also covered 13,126 kilometers of subways and 16,189 kilometers of high-speed railway tunnels, up by 12.9% and 30.1%, respectively, from the end of 2023. Our share of the newly-built DAS market reached 51.7%, an increase of 6.7 percentage points from the year before.

Looking ahead, we will relentlessly drive innovation, strengthen our core capabilities and focus on building the China Tower brand for unrivalled advantages in optimal costs, efficient delivery and superior maintenance, while minimizing management risks. We will cement our leading position in the Tower business and newly-built DAS segment, achieving a new level of high-quality development in the TSP business. In terms of

our **Tower business**, we will continue to improve the collaboration mechanism with customers to closely align with the TSPs' network planning. We will accelerate the development and deployment of the 3D indoor and outdoor simulation support system and next-stage R&D, and fully leverage our advantages in effective resource coordination and sharing to satisfy customers' demands in a cost-effective and highly efficient manner. We will continue to optimize our customer service, step up the promotion and application of regional products, and win customer recognition through innovative products and solutions. As for our **DAS business**, we will leverage our advantage in resource sharing, thoroughly addressing construction demands for key business scenarios. By increasing our effort in innovative product promotion and application, we look to tapping into new DAS market demands and maintaining rapid business growth while sustaining the steady development of our TSP business. This will enable us to better support the "Cyberpower" national strategy and deliver better services to our customers.

Smart Tower Business

We firmly seized the opportunities arising from the state strategies of "Digital China" and "Beautiful China" by leveraging our rich resources and core advantages, and continuously strengthening product innovation and capabilities in order to deep dive into key sectors and thoroughly acquire demand. We have upgraded 230,000 telecommunication towers to digital towers, enabling rapid growth of our Smart Tower business. In 2024, the Smart Tower business generated revenue of RMB8,911 million, up by 22.4% year-on-year. Of which, the contribution of Tower Monitoring revenue to our Smart Tower revenue reached 62.2%.

In 2024, we continued to strengthen innovation and R&D, providing strong support for the rapid growth of our Smart Tower business through high-quality technology and product innovation, and service capability enhancement. We built a nationwide distributed Tower Monitoring platform, enabling distributed deployment to further strengthen the platform's base architecture. We continued to expand the AI algorithm warehouse, providing over 350 mid- to high-point site-specific algorithms to serve a variety of AI analytics scenarios. We established a sample library of 360 million mid- to high-point images, further improving algorithm accuracy. We continued to improve product functionality, developing a range of solutions

that feature our competitive advantages and are designed to meet customer needs. We also enhanced our "companion" service capabilities by optimizing customer service standards, focusing on customer perception. We undertook standardized service quality supervision to continuously improve customer satisfaction.

In 2024, we continued to tap into key sectors with a focus on spatial digital intelligence governance in order to maintain our leading position in different market segments. In the field of land administration, our farmland protection and mine supervision services helped natural resource departments safeguard China's 1.8 billion mu of farmland and promoted the sustainable use of land and mineral resources. In the field of emergency response, through providing comprehensive natural disaster warning services and constructing a national earthquake monitoring network, we helped emergency administration departments enhance informatization and responsiveness in disaster alert, prevention and mitigation. In the field of environmental protection, we helped monitor real-time straw burning in farmlands across multiple provinces to support the environmental protection and secure the outcomes of the action plan for cleaner air. In the field of water conservancy, our digital services for river and lake management, reservoir monitoring, flood warning, and irrigation significantly improved water management efficiency and ensured effective disaster prevention and mitigation. In the field of agriculture and rural management, we contributed to the thorough implementation of the 10-year fishing ban in the Yangtze River, promoted the development of smart agriculture and digital villages, and supported the recovery of the Yangtze River's water ecosystem as well as the high-quality development of the Yangtze River Economic Belt. In the field of transportation, we provided real-time monitoring services for trunk highways, and effectively conducted surveillance on illegal construction and sand excavation along railway lines, ensuring road safety and the long-term stable operation of highway facilities.

Looking ahead, we will actively seize the opportunities arising from the development of the digital economy and continue to enhance the Smart Tower business by identifying customer demand, refining our products, optimizing our services, and building our brand. We will focus on key sectors, expand the scale of digital intelligence governance, and actively explore emerging sectors and trends

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such as edge computing. By doing so we will further strengthen our competitiveness, impact, and reputation. We will drive technological innovation by consolidating the fundamental capabilities of the Tower Monitoring platform and build a general intelligent agent based on our tower sites. We will enhance our localized technical support teams, improve customer operation and service, and our "companion" service capabilities in order to optimize customer experience. We will elevate our approach to product development, launching not only functional, user-friendly and ready-to-use products but also indispensable and irreplaceable products in the market, providing more efficient and digital intelligent governance solutions for various industries.

Energy Business

We seized the opportunities arising from China's carbon peaking and carbon neutralization goals, and leveraged our reliable power backup capabilities to provide customers with diverse smart energy services and solutions such as battery exchange and power backup. Our Energy business achieved healthy development in 2024, with revenue reaching RMB4,477 million, or a year-on-year increase of 6.2%. Of which, our battery exchange business generated revenue of RMB2,500 million, an increase of 20.9% year-on-year, and our power backup business generated revenue of RMB1,656 million, a decrease of 4.6% year-on-year.

During the year, our Energy business undertook shared and synergistic development. We made efforts in market expansion, product innovation, refined operation, and service enhancement to promote specialized and optimized business. To solidify product advantages, we conducted research on key technologies such as battery exchange cabinet control and lithium battery BMS, as well as promoting the fourth-generation battery exchange products and integrating new technologies including cabinet-induced explosion venting and new features such as Bluetooth battery exchange and key-based anti-theft capabilities. These initiatives have resulted in improved performance of the overall battery exchange system and further consolidated product strengths. We upgraded platform support by iterating the new energy mobility platform to offer diverse functions and marketing and sales applications. Focusing on "service-oriented" power backup, we upgraded the "energy butler" platform to include core functions such as power backup monitoring, photovoltaic power generation, gasoline or diesel power generation, energy consumption

management, and video surveillance across multiple terminals. Through delicate operation and value uncovering, we deepened the full life cycle management of assets and implemented multiple measures to improve the utilization rate of batteries and battery exchange cabinets. We enhanced the classification mechanism for customer management to strengthen the retention of existing battery exchange users. With an intensified battery exchange network in top-tier urban food delivery hotspots, core business districts, and other key areas, our battery exchange network continued to optimize, with increased cabinet utilization and battery exchange capacity. We strengthened services capabilities by optimizing intelligent customer service, strengthening the management and training of customer service teams, and building more centers for delivery riders. The efforts have improved service for our customers in the mass market. With regard to corporate customers, we optimized the "companion" service system by clearly understanding customer needs, defining service standards, and regulating after-sales service to enhance customer satisfaction.

Going forward, we will focus on the two core business areas – battery exchange and power backup. Seizing opportunities in these segments to specialize and strengthen our capabilities will help sustain the high-quality development of our Energy business. For the **battery exchange business**, we will further implement the city-specific delicate classification operation model. Through network optimization, precise product deployment and matching, and effective competitive strategies, we aim to further increase market share and consolidate existing advantages in the consumer market. We will unleash more synergy of the "One Core and Two Wings" strategy by further enriching our product offering and upgrading service quality across the board to significantly expand our corporate customer base. Leveraging favorable national policies, we will accelerate the construction of low-speed charging facilities, creating a safe and hassle-free charging infrastructure for the community in order to effectively expand the user base of our battery exchange business. For our **power backup business**, we will focus on pivotal industries such as telecommunications, finance and healthcare, along with other key scenarios. By fully leveraging the synergies of our diversified businesses, we will promote a comprehensive "power backup +" industry solution, forge the "energy butler" brand, and accelerate the scaled development of our power backup business.

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(Expressed in RMB unless otherwise indicated)

1. Summary

In 2024, the Company continuously deepened the "One Core and Two Wings" development strategy, grasped the development opportunities brought by the 5G new infrastructure, digital economy and "Dual Carbon" goals, constantly reinforced our advantages in resource coordination, continued to improve the transformation and innovation capabilities, and strengthened cost reduction management by referencing to benchmarks and lean operation of assets. We have maintained stable and healthy growth in full-year performance.

In 2024, the operating revenue of the Company amounted to RMB97,772 million, up by 4.0% over last year; the operating profit amounted to RMB16,330 million, up by 12.6% over last year; profit attributable to owners of the Company amounted to RMB10,729 million, up by 10.0% over last year; the EBITDA was RMB66,559 million, up by 4.7% over last year; the operating cash flow amounted to RMB49,468 million, up by 50.6% over last year; and the capital expenditures were RMB31,941 million.

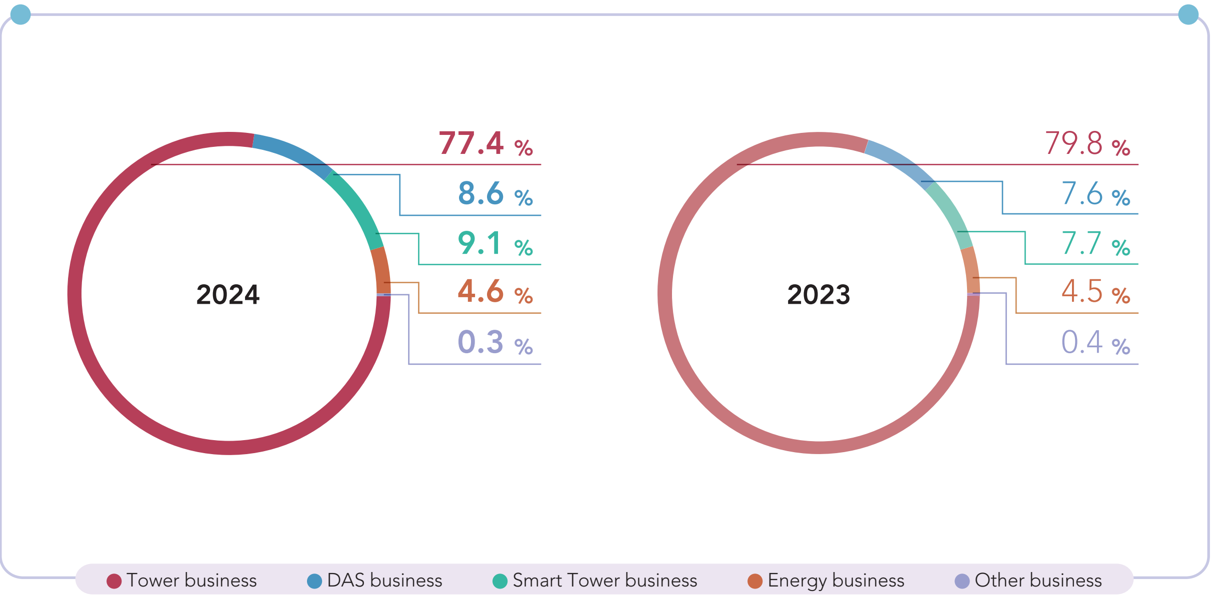
2. Operating Revenue

In 2024, the Company gave full play to the capabilities of resource coordination and sharing, captured the opportunities presented by the expansion of 5G network penetration and coverage in China, and maintained a steady growth in the revenue of our TSP business. The Company enhanced its product innovation and service capacity, and strived to excel and specialize in the Two Wings business by focusing on the key sectors, achieving continuous and positive growth in the revenue of the Two Wings business. Our operating revenue for the year reached RMB97,772 million, up by 4.0% over last year. Our revenue structure continued to improve, revenue from our non-tower businesses, including the DAS business and the Two Wings business, maintained a double-digit growth with the proportion in operating revenue increasing from 20.2% last year to 22.6%.

The table below summarises the changes in the composition of the Company's operating revenue for the years of 2024 and 2023:

(RMB million)	**2024** Total amount	**2024** Proportion in operating revenue	2023 Total amount	2023 Proportion in operating revenue
Operating revenue	**97,772**	**100.0%**	94,009	100.0%
Of which: Tower business	**75,689**	**77.4%**	75,023	79.8%
DAS business	**8,430**	**8.6%**	7,140	7.6%
Smart Tower business	**8,911**	**9.1%**	7,283	7.7%
Energy business	**4,477**	**4.6%**	4,214	4.5%
Other business	**265**	**0.3%**	349	0.4%

Operating revenue structure



Revenue from Tower business

In 2024, the Company actively kept pace with TSPs' network construction plans, launched campaigns in tackling difficult sites, by leveraging visualization tools such as the 3D indoor and outdoor simulation system. The Company provided customers with comprehensive solutions including all essential factors, and stepped up efforts in promoting regional products to improve the efficiency of order delivery and lease commencement. Revenue from our Tower business for the year amounted to RMB75,689 million, up by 0.9% over last year.

Revenue from DAS business

In 2024, the Company fully leveraged our advantages in unified cooperation and coordinated site entry, actively captured the demand for indoor coverage in key sectors such as transportation, cultural tourism and healthcare, and implemented special campaigns for covering elevators and underground parking lots and 5G upgrades on high-speed railways and subways. Revenue from DAS business for the year amounted to RMB8,430 million, up by 18.1% over last year.

Revenue from Smart Tower business

In 2024, the Company gave full play to the core capacity advantages in the field of digital-intelligence spatial governance, accelerated the upgradation of "telecommunication towers" to "digital towers" in key industries, enhanced platform building and algorithm research and development, improved the capability of companion services, and solidified our leading position in different market segments. Revenue from the Smart Tower business for the year amounted to RMB8,911 million, up by 22.4% over last year.

Revenue from Energy business

In 2024, by leveraging our capabilities and advantages in power supply security services, the Company took a deep dive into delivery and courier markets, expedited the iteration of battery exchange products, and advanced the deployment of low-speed charging facilities in high-quality scenarios such as fully developed communities. The Company focused on key industries such as telecommunications, healthcare and finance to vigorously expand service-oriented power backup, and provided comprehensive solutions for the "power backup +" industry. Revenue from the Energy business for the year amounted to RMB4,477 million, up by 6.2% over last year.

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Revenue from other business

In 2024, the Company provided other services such as agent construction for transmission facilities, achieving an operating revenue of RMB265 million.

3. Operating Expenses

In 2024, the Company carried out in-depth special campaigns to reduce costs and improve efficiency, and enhanced benchmarking and evaluation and the lean management of individual sites and individual projects, to increase cost efficiency and asset operation efficiency. In 2024, operating expenses were RMB81,442 million, up by 2.4% over last year. Operating expenses accounted for 83.3% of operating revenue, representing a decrease of 1.3 percentage points compared to that of last year.

The table below summarises the changes in the composition of the Company's operating expenses for the years of 2024 and 2023:

(RMB million)	**2024** Total amount	**2024** Proportion in operating revenue	2023 Total amount	2023 Proportion in operating revenue
Operating expenses	**81,442**	**83.3%**	79,507	84.6%
Of which: Depreciation and amortisation	**50,229**	**51.4%**	49,049	52.2%
Repairs and maintenance expenses	**6,992**	**7.2%**	7,408	7.9%
Employee benefits and expenses	**9,573**	**9.8%**	8,844	9.4%
Site operation and support expenses	**5,504**	**5.6%**	5,393	5.7%
Other operating expenses	**9,144**	**9.3%**	8,813	9.4%

Depreciation and amortisation

The Company actively met customers' demands, aligned with business development and capability building needs to efficiently manage and control investment, and continuously strengthened the life extension and reusing of existing assets. In 2024, depreciation and amortisation were RMB50,229 million, up by 2.4% over last year. The proportion of depreciation and amortisation to operating revenue decreased from 52.2% last year to 51.4%.

Repairs and maintenance expenses

The Company continued to carry out safety hazard inspection and rectifications for assets while promoting the upgrade and scaled application of intelligent operation and maintenance functions, which further improved the robustness of assets and efficiency of assets maintenance. In 2024, repairs and maintenance expenses were RMB6,992 million, down by 5.6% over last year. The proportion of repairs and maintenance expenses to operating revenue decreased from 7.9% last year to 7.2%.

Employee benefits and expenses

In 2024, employee benefits and expenses for the year amounted to RMB9,573 million, up by 8.2% over last year, which was primarily due to the Company's promotion of innovative development strategies and establishment of strong front-line business units, appropriately introducing middle and high-end scientific and technological talents as well as adding regional managerial personnel for business development, while simultaneously strengthening performance-linked incentives, thereby further boosting its development momentum.

Site operation and support expenses

In 2024, site operation and support expenses for the year amounted to RMB5,504 million, representing a year-on-year increase of 2.1%, up by RMB111 million over last year, which was primarily due to the Company actively advancing and cultivating digital capability infrastructures of sites. IT support expenses related to site operation were up by RMB203 million over last year.

Other operating expenses

In 2024, the other operating expenses were RMB9,144 million, representing an increase of 3.8% over last year, up by RMB331 million over last year, which was primarily attributable to the support provided for the development of the Two Wings business, promoting the companion service system as well as the enhancement of platform operation and management capabilities. Business development costs (including localized and technical support service fees, utility fees for operation and marketing expenses) increased by RMB371 million over last year.

4. Finance Costs

As the Company enhanced centralized fund management and actively advanced the return of funds, the interest-bearing liabilities decreased by RMB2,084 million as compared to the beginning of 2024. The Company stepped up its efforts in exploring low-cost financing channels, due to which overall finance costs remained at a relatively low level. The Company's net finance costs amounted to RMB2,576 million in 2024, down by 7.5% over last year.

5. Profitability

Operating profit and EBITDA

Adhering to the efficiency-oriented principle, the Company continued to improve the level of lean management in 2024 and our operational efficiency has steadily progressed. The Company's operating profit amounted to RMB16,330 million, up by 12.6% over last year. EBITDA was RMB66,559 million, up by 4.7% over last year, which accounted for 68.1% of the operating revenue, representing an increase of 0.5 percentage point compared to that of last year.

Profit attributable to owners of the Company

In 2024, profit attributable to owners of the Company amounted to RMB10,729 million, up by 10.0% over last year. The Company's basic earnings per Share for 2024 was RMB0.6138.

6. Capital Expenditures and Cash Flow

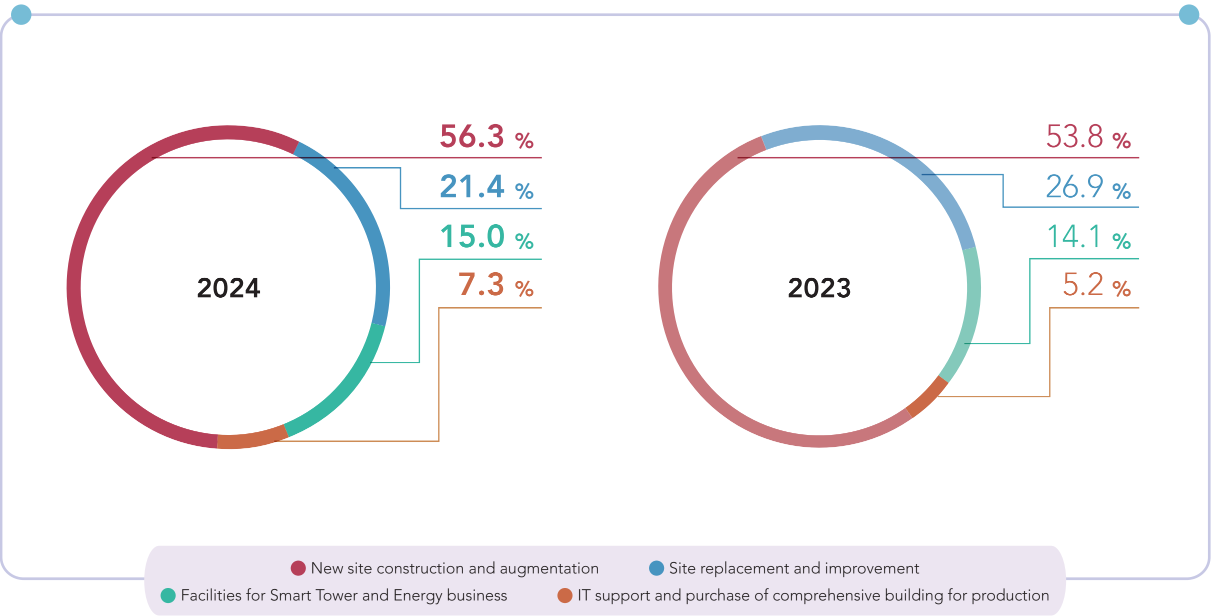
Capital expenditures

In 2024, the Company insisted on a "gross amount + project" investment management model, allocating the gross investment amount in alignment with the business development and capability building needs. The Company continued to refine the mechanism for pre-assessment and post-evaluation for projects. Capital expenditures for the year were RMB31,941 million, up by 0.7% over last year, among which, capital expenditures for new site construction and augmentation were RMB17,972 million, up by 5.4% over last year, which was mainly due to the Company having fully met the TSPs' demand for the new construction of new sites and 5G upgrades on high-speed railways and subways. Simultaneously the Company enhanced project management to further accelerate the progress of project construction and delivery. Capital expenditures for the Smart Tower and Energy business facilities were RMB4,784 million, up by 6.9% over last year, which was mainly attributable to the Company's enhanced precise resource allocation to align with the Two Wings business development, and continuous platform development and product iteration. Building on the large-scale efforts in the early stage to enhance battery backup capacities for key scenarios, the Company steadily carried out safety hazard inspections, rectifications and equipment upgrades based on the operational status of physical assets. Capital expenditures for site replacement and improvement were RMB6,837 million, down by 19.9% over last year.

The table below summarises the major items of the Company's capital expenditures for the years of 2024 and 2023:

(RMB million)	**2024** Total amount	**2024** Proportion	2023 Total amount	2023 Proportion
Capital expenditures	**31,941**	**100.0%**	31,715	100.0%
Of which: New site construction and augmentation	**17,972**	**56.3%**	17,049	53.8%
Site replacement and improvement	**6,837**	**21.4%**	8,534	26.9%
Facilities for Smart Tower and Energy business	**4,784**	**15.0%**	4,476	14.1%
IT support and purchase of comprehensive building for production	**2,348**	**7.3%**	1,656	5.2%

Capital expenditures structure



Cash flow generated from operating activities and free cash flow

In 2024, following the full implementation of the new phase of the Commercial Pricing Agreements, the Company actively promoted regular payment collection from TSP customers. At the same time, we strengthened credit rating and arrears management for customers in our Two Wings business, resulting in a significant improvement in cash flow. Net cash generated from operating activities for the year amounted to RMB49,468 million, up by RMB16,628 million over last year. Free cash flow amounted to RMB17,527 million, up by RMB16,402 million over last year.

7. Balance Sheet Status

As at the end of 2024, the Company's total assets were RMB332,834 million while the total liabilities were RMB132,855 million, of which net debts were RMB89,944 million. The liabilities to assets ratio remained at a healthy level of 39.9%, and the gearing ratio was 31.0%, down by 0.4 percentage point as compared to the end of last year.

1.3 million+ battery exchange users

Revenue of Energy business increased by

6.2%

Profiles of Directors, Supervisors and Senior Management

Mr. Zhang Zhiyong 張志勇 | Director

Aged 59, has been an executive Director and chairman of the Board since September 2021. Mr. Zhang served as a non-executive Director from May 2018 to September 2021. He served as director of Qinhuangdao Telecommunications Bureau from November 1999 to July 2000, general manager of Qinhuangdao Branch of Hebei Telecom Company Limited from July 2000 to June 2002, deputy general manager of Beijing Telecom Company Limited from June 2002 to December 2002, and manager of the industry management department of CTC from December 2002 to June 2010. Mr. Zhang successively served in several positions with CCS, including deputy general manager from October 2006 to January 2008, executive director from August 2007 to June 2010, general manager from January 2008 to June 2010, and chairman of the board and executive director from March 2018 to September 2021. He successively served in several positions with China Telecom, including general manager of Xinjiang Branch from June 2010 to March 2014, general manager of Beijing Branch from March 2014 to November 2017, and executive vice president from July 2018 to September 2021. He was the vice president of CTC from November 2017 to September 2021 and the general counsel of CTC from April 2021 to September 2021.

Mr. Zhang graduated from Changchun Institute of Posts and Telecommunications (which was merged into Jilin University in 2000) in July 1986 with a bachelor's degree in wireless communications. He graduated from Yanshan University in Qinhuangdao, PRC in July 2002 with a master's degree of engineering. He also graduated from BI Norwegian Business School in August 2005 with a master's degree in management.

Mr. Chen Li 陳力 | Director

Aged 57, has been an executive Director since May 2024, and the general manager of the Company since April 2024. Mr. Chen served as a director and the deputy general manager of China Mobile Group Hubei Co., Ltd. from October 2000 to March 2010, a director and the deputy general manager of China Mobile Group Anhui Co., Ltd. from March 2010 to August 2012, the chairman and the general manager of China Mobile Group Qinghai Co., Ltd. from August 2012 to October 2014, the chairman and the general manager of China Mobile Group Liaoning Co., Ltd. from October 2014 to April 2016, and the chairman and the general manager of China Mobile Group Shanghai Co., Ltd. from April 2016 to April 2024.

Mr. Chen graduated from Chongqing Institute of Posts and Telecommunications in July 1988 with a bachelor's degree in engineering and majored in telecommunication engineering. He received a master's degree of management with a major in information communication management from BI Norwegian Business School-Fudan University in March 2002. Mr. Chen is a senior engineer.

Mr. Tang Yongbo 唐永博 | Director

Aged 51, has been a non-executive Director since June 2023. Mr. Tang previously served as a deputy general manager and a general manager of Hunan Branch of China Unicom, a general manager of marketing department of CUC. Mr. Tang currently serves as a vice general manager of CUC, a senior vice president of China Unicom A Share Company, a senior vice president of China Unicom, a director and a senior vice president of China Unicom Corporation, a non-executive director of CCS, a non-executive director of HKT Management Limited and HKT Limited (listed on the Hong Kong Stock Exchange with the stock code: 6823) and a non-executive director and the deputy chairman of the board of PCCW Limited (listed on the Hong Kong Stock Exchange with the stock code: 0008).

Mr. Tang received a master's degree in Business Administration from Central South University. Mr. Tang has extensive experience in management and the telecommunications industry.

Mr. Liu Guiqing 劉桂清 | Director

Aged 58, has been a non-executive Director since January 2022. Mr. Liu previously served as a deputy general manager and the general manager of China Unicom Hunan Branch and the general manager of China Unicom Jiangsu provincial Branch, a vice president and the general counsel of CTC and an executive director and chairman of the board of CCS. He currently serves as a director, general manager of CTC and an executive director and executive vice president of China Telecom.

Mr. Liu received a doctorate degree in engineering science from National University of Defense Technology and is a professor-level senior engineer. Mr. Liu has extensive experience in management and the telecommunications industry.

Mr. Fang Xiaobing 房小兵 | Director

Aged 54, has been a non-executive Director since October 2022. Mr. Fang successively served in the finance department and the UAE Office of China Harbour Construction (Group) Company from July 1993 to October 2005. He served as the deputy general manager of the accounting department of China Communications Construction Group (Limited) from October 2005 to November 2006, the deputy general manager of the finance department of China Communications Construction Company Limited from November 2006 to April 2011, and the general manager of the finance and funds department of China Communications Construction Group (Limited) from April 2011 to December 2011. Mr. Fang successively served in several positions with the overseas business department and the international projects branch of China Communications Construction Group (Limited) from December 2011 to August 2014, including the chief accountant, the executive general manager, and the chief financial officer. He served as the general manager of the financial management department of China Communications Construction Group (Limited) from August 2014 to November 2019, a member of party committee and deputy general manager of China Reform since November 2019. Mr. Fang currently serves as the deputy secretary of the party committee for full-time external director for central enterprises and a supervisor of CNIC Corporation Limited.

Mr. Fang graduated from the department of transportation management engineering of Changsha Institute of Transportation (which was merged into Changsha University of Science and Technology in 2003) with a major in finance (financial and accounting engineering) and obtained a bachelor's degree in engineering in July 1993. He graduated from Fordham University in the United States, majoring in international business administration and obtained a master's degree in January 2006. He also graduated from the school of economics and management of Beijing Jiaotong University with a major in accounting and obtained a doctorate degree in management in June 2016. Mr. Fang is qualified as a professor-level senior accountant.

Mr. Dong Chunbo 董春波 | Director

Aged 61, has been an independent non-executive Director since October 2022. Mr. Dong successively served in several positions with Changchun Automobile Research Institute from June 1988 to March 2001, including a technician, the deputy head, the head of the engine design (Division II), the deputy head of the light vehicle department, the first-level chief inspector, the head of the general planning and management department, deputy director and director of the institute, etc. He successively served in several positions with China FAW Group Co., Ltd. (formerly known as China FAW Group Corporation) from March 2001 to February 2018, including the director of Changchun Automobile Research Institute, the head of technology center, the assistant to general manager, the deputy general manager, etc. Mr. Dong served as the deputy general manager of China South Industries Group Corporation Limited from February 2018 to March 2022. He has been a full-time external director for central enterprises since March 2022 and an external director of China Academy of Machinery Science and Technology since July 2022. Mr. Dong also serves as an external director of Aero Engine Corporation of China.

Mr. Dong graduated from the department of thermal power engineering of Jilin University of Technology and majored in internal combustion engines in July 1985. He graduated from the school of automotive engineering of Jilin University of Technology, majoring in internal combustion engines and obtained a master's degree in engineering in June 1988. Mr. Dong is a researcher-level senior engineer.

Mr. Hu Zhanghong 胡章宏 | Director

JP, aged 56, has been an independent non-executive Director since January 2022. Mr. Hu obtained his doctorate degree in economics from Zhongnan University of Economics and Law and is a Senior Economist in PRC. Mr. Hu has many years of experience serving at the senior level in financial institutions. Mr. Hu also holds various social positions, which include the co-chairman of the VC/PE Committee of the Investment Association of China, the permanent honorary chairman of Chinese Financial Association of Hong Kong, the chairman of China Mergers and Acquisitions Association (Hong Kong), the executive director of the Hong Kong Chinese Enterprises Association and a member of the Belt and Road & Greater Bay Area Committee of Hong Kong Trade Development Council. Mr. Hu currently serves as an external director of China Baowu Steel Group Corporation Limited. Mr. Hu had also held positions including the chairman and president of CCB International (Holdings) Limited, the chairman of CCBI Metdist Global Commodities (UK) Limited, the chairman-in-office of China Mergers & Acquisitions Association, a director of China Construction Bank (Asia) Corporation Limited, a member of the Process Review Panel for the Securities and Futures Commission of Hong Kong, a member of the Securities and Futures Appeals Tribunal of Hong Kong, a director of the Hong Kong Financial Services Development Council and a member of the Resolvability Review Tribunal of the Government of Hong Kong. Mr. Hu served as an independent non-executive director of Towngas Smart Energy Company Limited (listed on the Hong Kong Stock Exchange with the stock code: 1083, previously known as Towngas China Company Limited) from November 2021 to March 2022.

Mr. Sin Hendrick 冼漢廸 | Director

M.H., aged 50, has been an independent non-executive Director since October 2022. Mr. Sin is a co-founder, executive director and vice chairman of the board of directors of CMGE Technology Group Limited (listed on the Hong Kong Stock Exchange with the stock code: 0302), and has been a director and vice chairman of the board of directors of CMGE Group Limited since January 2011. Mr. Sin is also the founding and managing partner of China Prosperity Capital Fund, a leading venture capital firm with a primary focus on technology investment. Mr. Sin has over 27 years of experience in corporate management, finance and investment banking. Mr. Sin has been serving as an independent non-executive director of Evergreen Products Group Limited, a hair product manufacturing company whose shares are listed on the Hong Kong Stock Exchange (stock code: 1962) since June 2017, and has been serving as an independent director of 36 Kr Holdings Inc., a publishing and data company whose shares are listed on the NASDAQ (stock symbol: KRKR) since November 2019. Mr. Sin has been serving as an independent non-executive director, chairman and member of nomination committee of Hong Kong Economic Times Holdings Limited (listed on the Hong Kong Stock Exchange with the stock code: 0423) since January 2022, and has been serving as an independent non-executive director, member of each of the audit committee, the nomination committee and the investment committee of Tianjin Development Holdings Limited (listed on the Hong Kong Stock Exchange with the stock code: 0882) since March 2023. Mr. Sin served as a non-independent director of Suning.com Group Co., Limited (listed on Shenzhen Stock Exchange with the stock code: 002024) from July 2021 to April 2023.

Mr. Sin received his triple bachelor's degrees in computer science/mathematics, economics and industrial management from Carnegie Mellon University in May 1996. He graduated from Stanford University with a master's degree in engineering-economic systems and operations research in June 1997. Mr. Sin is the president of the Internet Professional Association (香港互聯網專業協會) and a member of the Hong Kong Institute of Directors (香港董事學會). Mr. Sin has been appointed as a standing committee member of the fifteen session of Tianjin Municipal's Committee of Chinese People's Political Consultative Conference (中國人民政治協商會議天津市第十五屆委員會常務委員). Mr. Sin was elected as a member of Election Committee of the Hong Kong Special Administrative Region (Technology and Innovation Sector) in 2021 and received the Medal of Honour awarded from the Government of Hong Kong in the same year. Mr. Sin currently serves as a deputy of the fourteenth National People's Congress in Hong Kong Special Administrative Region (香港特別行政區第十四屆全國人民代表大會代表).

Ms. Zhang Wei 張薇 | Director

Aged 58, has been an independent non-executive Director since September 2024. Ms. Zhang successively served as the general manager assistant of the finance department of China Southern Airlines (Group) Company, the deputy general manager of the finance department of China Southern Airlines Company Limited, and the deputy director of the supervisory bureau and the director of the audit department of China Southern Air Holding Company from June 1999 to August 2006. Ms. Zhang successively served as the general manager of Southern Airlines Group Finance Company Limited from August 2006 to October 2007; the director of the audit department of China Southern Air Holding Company Limited, the director of the audit department of China Southern Airlines Group (Holdings) Company, and a supervisor of China Southern Airlines Company Limited from October 2007 to October 2019. She served as the deputy chief economist of China Southern Airlines Company Limited from October 2019 to September 2021. Ms. Zhang has served as an external director of Guangdong Provincial Communication Group Co., Ltd since January 2022.

Ms. Zhang graduated from the department of technical economics and system engineering of Tianjin University with a major in investment skills economics and obtained a master's degree in engineering in March 1993. She graduated from the school of economics and management of Tsinghua University and obtained an Executive Master of Business Administration degree in June 2010. Ms. Zhang is a senior accountant.

Supervisors

Ms. Fan Xiaoqing 范曉青 | Supervisor

Aged 56, has been the chairman of the Supervisory Committee since January 2022, and a Supervisor since April 2021. Ms. Fan served as general manager of the Guizhou Branch of the Company from September 2014 to August 2016, party secretary and general manager of the Guizhou Branch of the Company from August 2016 to December 2017, party secretary and general manager of the Beijing Branch of the Company from December 2017 to November 2020, and director of the division of party and masses' affairs and secretary of the directly-affiliated Party Committee of the Company from November 2020 to December 2020. She has been vice chairman of the labor union, director of the division of party and masses' affairs, and secretary of the directly-affiliated Party Committee of the Company since December 2020. She successively served in several positions with Guizhou Mobile Communication Co., Ltd., including director of the planning and construction department from August 1999 to December 2000, and deputy general manager, member of the leading party members' group and director from December 2000 to August 2004. She served as director, deputy general manager, member of the leading party members' group of China Mobile Group Guizhou Co., Ltd. and general manager of Guizhou Communication Service Co., Ltd. from August 2004 to September 2014.

Ms. Fan graduated from Beijing Institute of Posts and Telecommunications (currently known as Beijing University of Posts and Telecommunications) in July 1989 with a bachelor's degree of wireless communications and received a master's degree of information communication management from BI Norwegian Business School-Fudan University in May 2004. Ms. Fan is qualified as a senior engineer.

Ms. Cao Yingchun 曹迎春 | Supervisor

Aged 55, has been a Supervisor since May 2024. Ms. Cao previously served as a project manager of finance division of Shanxi Posts and Telecommunications Administration, a project manager and the deputy general manager of finance department of Shanxi branch of CMCC, a deputy manager and a manager of accountability audit division in the internal audit department (concurrently served as the deputy manager of construction project audit division) and a deputy general manager of internal audit department of CMCC. Ms. Cao currently serves as the general manager of internal audit department of CMCC, a chairperson of the supervisory committee of China Mobile Group Finance Co., Ltd., a supervisor of China Mobile Equity Fund Management Co., Ltd., a supervisor of China Mobile Charity Foundation and a chairperson of the supervisory board of iFLYTEK Co., Ltd.

Ms. Cao graduated from Shanxi University of Finance and Economics majored in accounting. Ms. Cao is a senior accountant.

Mr. Li Zhangting 李張挺 | Supervisor

Aged 54, has been a Supervisor since October 2020. Mr. Li served as a director of the Company from July 2014 to May 2018. Mr. Li served in CUC from January 1999 to July 2020 successively as a deputy manager of operation and finance division, a manager of budget and management division and a deputy general manager of plan and finance department, a deputy general manager of finance department, the general manager of finance department and the general manager of remainder enterprise management department, and the general manager of Hubei Branch. He has been the general manager of auditing department of CUC since July 2020.

Mr. Li graduated from department of management engineering of Beijing Institute of Posts and Telecommunications (currently known as Beijing University of Posts and Telecommunications) and majored in postal communication management in July 1992. He graduated from department of management engineering of Beijing University of Posts and Telecommunications with a master's degree in economics and majored in transportation economics in May 1995 and received a master's degree in business administration from Tsinghua University in January 2006. Mr. Li is a senior accountant.

Ms. Han Fang 韓芳 | Supervisor

Aged 51, has been a Supervisor since January 2022. Ms. Han previously served as a supervisor and the chairlady of the supervisory committee of China Telecom, the chief financial officer of China Telecom Global Limited, the deputy managing director, the managing director of audit department of both CTC and China Telecom. Ms. Han served as a supervisor and the chairperson of the supervisory committee of CCS from December 2015 to December 2021. Ms. Han currently serves as the managing director of capital operation department of both CTC and China Telecom, the chairlady of the board of China Telecom Group Investment Co., Ltd. and the chairlady of the board of Tianyi Capital Holding Co., Ltd.

Ms. Han graduated from Beijing University of Posts and Telecommunications in 1995 with a bachelor's degree in engineering management, and received a master's degree in business administration from the BI Norwegian School of Management in 2007. Ms. Han is an international internal auditor, a member of the Chinese Institute of Certified Public Accountants and a senior accountant. She has extensive experience in operation management and financial management in the telecommunications industry.

Ms. Li Tienan 李鐵南 | Supervisor

Aged 55, has been a Supervisor since July 2019. Ms. Li served at the Pre-trial Division of Shenyang Public Security Bureau of Liaoning Province from August 1992 to December 1999. She served as a lawyer of Jinde Law Firm from December 1999 to December 2002, a director of the legal department of China National Coal Group Corp. from December 2002 to August 2003, a general legal counsel and a director of the legal department of China Coal & Coke Holdings Ltd. from August 2003 to April 2011, a deputy general manager of the legal department of China National Coal Group Corp. from April 2011 to June 2011, a deputy general manager of the legal department of China Reform from June 2011 to July 2014, during which she also served as a deputy general manager of the legal department of CNIC Corporation Limited from January 2013 to September 2014. Ms. Li served as a general manager of the legal department of CNIC Corporation Limited from September 2014 to March 2019, during which she also served as a general manager of the legal department of CNIC Consulting Corporation Limited from February 2017 to March 2019. She successively served in several positions with China Reform Asset Management Co., Ltd., including the deputy general manager from March 2019 to February 2020, the general manager from February 2020 to December 2021 and the general counsel from September 2020 to December 2021, the general manager of asset management of China Reform from April 2021 to December 2021, the vice supervisor of asset allocation department of China Reform since December 2021. Ms. Li has served as a supervisor of China Railway Signal & Communication Corporation Limited since February 2020, and a director of Zhongjin Gold Corp., Ltd. since March 2021.

Ms. Li graduated from Northwest University of Political Science and Law with a bachelor's degree in law in 1992 and obtained an MBA degree in Renmin University of China.

Mr. Wang Hongwei 王宏偉 | Supervisor

Aged 58, has been a Supervisor since May 2018. He served as senior director of the human resources department of the Company from November 2014 to April 2017, deputy general manager of the human resources department of the Company from April 2017 to June 2017, deputy general manager of the audit department of the Company from June 2017 to December 2019 and has been general manager of the audit department of the Company since December 2019. Mr. Wang successively served in several positions with China United Telecommunications Corporation (the predecessor of CUC), including deputy manager of the remuneration welfare division of the human resources department from August 2000 to May 2002, manager of the general division of human resources department from May 2002 to August 2003, director of the human resources department of Guangdong Branch from August 2003 to December 2005, manager of the labor capital division of the human resources department from January 2006 to November 2008. He served as manager of the remuneration welfare and long-term incentive division of the human resources department of CUC from December 2008 to November 2014.

Mr. Wang graduated from Renmin University of China in July 1989 and majored in labor economics. He was recognized as an intermediate economist in April 1994 by the Ministry of Personnel.

Other Senior Management

Mr. Hu Shaofeng 胡少峰 | Senior Management

Aged 57, has been the chief accountant of the Company since April 2022. Mr. Hu joined the Company in April 2022. He successively served several positions in the Fourth Survey and Design Institute of the Ministry of Railways from February 2002 to May 2007, including assistant to director, deputy director and director of finance department, as well as deputy chief accountant. He served as the chief accountant of China Railway Track Systems Group Co., Ltd. from May 2007 to November 2011, the deputy general manager, chief accountant and general counsel of China Railway Construction Heavy Industry Co., Ltd. from December 2011 to June 2012. Mr. Hu successively served several positions in China Railway Signal & Communication Corporation Limited, including deputy chief accountant from July 2012 to June 2016, the secretary to the board from May 2013 to October 2019 and from January 2022 to April 2022, and the chief accountant from July 2016 to April 2022. Mr. Hu also served as a member of the senior management of China Railway Signal and Communication (Group) Corporation Limited (previously known as China Railway Signal Communication Corporation) from June 2016 to April 2022.

Mr. Hu graduated from Zhongnan University of Economics and Law in July 1990 majored in industrial economy and obtained a bachelor's degree of economics, and from Wuhan University in June 2007 with a master's degree of software engineering (majored in financial informatization). Mr. Hu is a senior accountant.

Mr. Liu Guofeng 劉國鋒 | Senior Management

Aged 55, has been a deputy general manager of the Company since June 2019. Mr. Liu joined the Company in August 2014 and had served as general manager of Jiangxi Branch of the Company, general manager of maintenance department of the Company, general manager of Henan Branch of the Company and general manager of the operation and maintenance department (formerly known as maintenance department, renamed as operation and maintenance department in December 2018) of the Company. He has been the chairman of the board of Energy Tower Corporation Limited (鐵塔能源有限公司) since June 2019. He served as general manager of market and operation department and general manager of the planning department of China Mobile Group Sichuan Company from December 2003 to February 2010. He served as director and deputy general manager of China Mobile Group Guizhou Company from February 2010 to August 2014.

Mr. Liu obtained a doctorate degree in railway traction electrification and automation from Southwest Jiaotong University and is qualified as a senior engineer.

Mr. Yin Wenkai 尹文凱 | Senior Management

Aged 56, has been a deputy general manager of the Company since November 2022. Mr. Yin joined the Company in November 2022. He served successively as the deputy general manager of Anhui Guoxin Paging Co., Ltd. (安徽國信尋呼有限責任公司) and the director of the supervision office of the Anhui Branch of China United Telecommunications Corporation from January 2000 to September 2002. He served successively as the senior business manager of the personnel department, the director of the general personnel division of the personnel department and the director of the remuneration and welfare division of the human resources department of CTC from September 2002 to June 2006, and served successively as the deputy general manager and general manager of the human resources department of CUC from June 2006 to September 2020. From September 2020 to November 2022, he served as the chairman of the board of directors of China Unicom Leasing Co., Ltd.

Mr. Yin graduated from Beijing Institute of Posts and Telecommunications (currently known as Beijing University of Posts and Telecommunications) and majored in postal communications management with a bachelor's degree in economics. Mr. Yin is qualified as a senior economist.

Mr. Zhao Jingbao 趙敬寶 | Senior Management

Aged 52, has been a deputy general manager of the Company since November 2022 and the general counsel and chief compliance officer of the Company since September 2024. Mr. Zhao joined the Company in September 2014. He served as the deputy general manager of the Anhui Branch and the general manager of the Heilongjiang Branch of the Company. From July 2021 to November 2022, he served as the general manager of the Guangdong Branch of the Company. From May 2003 to October 2006, he successively served as the deputy director of the human resources department and the deputy director of the development strategy department of China Mobile Group Anhui Co., Ltd., and the general manager of Huaibei Branch of China Mobile Group Anhui Co., Ltd. from October 2006 to February 2012. From February 2012 to September 2014, he successively served as the general manager of the development strategy department and the general manager of the human resources department of China Mobile Group Anhui Co., Ltd.

Mr. Zhao graduated from Hefei University of Technology and majored in circuits and systems with a master's degree in engineering.

Ms. Wang Xiaobai 王小白 | Senior Management

Aged 48, has been a member of the senior management of the Company since November 2023. Ms. Wang served successively as a director of the first division of the second office, a deputy head of the third office of discipline and supervision bureau under SASAC; the head of the eighth discipline inspection and supervision office, and the head, the first-level investigator, the second-level inspector and the second-level senior supervision officer of the seventh discipline inspection and supervision office under the Discipline Inspection and Supervision Office of the CPC Central Commission for Discipline Inspection and the State Supervision Commission at SASAC.

Ms. Wang graduated from Renmin University of China with a master's degree in law and is qualified as a certified public accountant in the PRC.

Mr. Xu Bo 徐波 | Senior Management

Aged 52, has been a deputy general manager of the Company since July 2024. Mr. Xu joined the Company in September 2014. He served as the deputy general manager and general manager of Jiangxi Branch, the general manager of Shanxi Branch and the general manager of Hebei Branch of the Company. From August 2023 to July 2024, he served as the general manager of the communications and development department of the Company. From November 2005 to September 2014, Mr. Xu successively served in several positions with CUC, including the general manager of operation and maintenance department of its Jiangxi Branch and the general manager of its Yichun Branch.

Mr. Xu graduated from the department of radio engineering of Beijing Institute of Posts and Telecommunications (currently known as Beijing University of Posts and Telecommunications) in July 1993 with a bachelor's degree in image transmission and processing, and received a master's degree in business administration from the School of Economics and Management of Beijing University of Posts and Telecommunications in November 2002. Mr. Xu is a senior engineer.

Ms. Liu Qingzhou 劉輕舟 | Senior Management

Aged 46, has been the secretary to the Board of the Company since May 2018 and the general manager of finance department of the Company since December 2019. Ms. Liu served as senior director of general affairs department and general manager of corporate development department since she joined the Company in November 2014. She successively served as a deputy manager of investment analysis division and a manager of general administration division of overseas investment management department of China Mobile Communications Corporation from September 2007 to November 2014.

Ms. Liu graduated from Renmin University of China with a doctorate degree in economics and is qualified as a senior economist.

Report of the Directors

The board of directors of China Tower Corporation Limited is pleased to present the Report of the Directors of the Company, together with the audited consolidated financial statements of the Group prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2024.

Principal Businesses

The principal activities of the Group are the construction, maintenance and operation of telecommunications towers and auxiliary facilities, public network coverage for high-speed rail and subway, and large-scale indoor distributed antenna systems. In addition, relying on its unique resources, the Group also provides information application and energy application services including power exchange and back-up to the public. The Group's headquarters are located in Beijing, China with 31 provincial branches operating across mainland China.

Results

Results of the Group for the year ended 31 December 2024 and the financial position of the Group as at that date are set out in the audited consolidated financial statements on pages 114 to 183 of this annual report.

Annual General Meeting

The Company will hold the 2024 AGM on 20 May 2025. Please refer to the notice of the 2024 AGM to be published on the website of the Company (www.china-tower.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Dividend

The Company has placed great importance on the returns to Shareholders and has adopted a dividend policy. The Company shall take into account the following factors when forming the proposals for dividend distribution:

(a) dividends declared and paid by global telecommunications tower infrastructure companies;

(b) the Company's results of operations, cash flows and financial condition;

(c) operating and capital expenditures requirements;

(d) the amount of distributable profits determined according to accounting principles generally accepted in the PRC or IFRS Accounting Standards, whichever is lower; and

(e) other factors that the Board may consider relevant.

After taking into account the aforesaid factors, 50% of the Company's annual distributable profit or more shall be used for dividend distribution; the Company shall declare and pay dividends in form of cash or shares, and the payment of dividends shall be made at the Board's discretion and subject to approval by the Shareholders.

Final Dividend

The Board proposes a final dividend of RMB0.30796 (pre-tax) per Share for the year ended 31 December 2024. The dividend proposal will be proposed to the 2024 AGM for the Shareholders' consideration. The proposed final dividends, if approved, will be denominated and declared in Renminbi, which are expected to be paid on or around 30 June 2025 upon approval at the 2024 AGM.

Dividends will be paid in Renminbi for holders of domestic shares and the Southbound Shareholders, and dividends for H Share Shareholders other than the Southbound Shareholders will be paid in Hong Kong dollars. The relevant exchange rate will be the average of the mid-point rates of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of approval of declaration of dividends by the 2024 AGM. The record date for entitlement to the Shareholders' rights and the relevant arrangements of dividend distribution for Southbound Shareholders are the same as those for the Company's H Share Shareholders.

Under the requirements of the Law of the People's Republic of China on Enterprise Income Tax《中華人民共和國企業所得稅法》, the Regulations for the Implementation of the Law of the People's Republic of China on Enterprise Income Tax《中華人民共和國企業所得稅法實施條例》implemented in 2008, the Company has the obligation to withhold and pay the enterprise income tax at a rate of 10% on dividends when it pays the proposed final dividend for 2024 to its H Share Shareholders who are overseas non-resident enterprises (including HKSCC Nominees Limited, other institutional nominees and trustees, or other organizations or groups) listed on the H Share register of members on 30 May 2025.

According to the requirement under Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation (國家稅務總局國稅函[2011]348號規定) and the relevant laws and regulations, for individual H Share Shareholders who are Hong Kong or Macau residents and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay the individual income tax at the rate of 10%. For individual H Share Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate lower than 10%, the Company will withhold and pay the individual income tax at a tax rate of 10% of dividend. For individual H Share Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate higher than 10% but lower than 20%, the Company will withhold and pay the individual income tax at the effective tax rate under the relevant tax treaty. For individual H Share Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Share Shareholders.

The Company will determine the country of domicile of the individual H Share Shareholders based on the registered address as recorded in the H Share register of members of the Company on 30 May 2025. If the country of domicile of an individual H Share Shareholder is not the same as the registered address or if the individual H Share Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual H Share Shareholder shall notify and provide relevant supporting documents to the Company on or before 26 May 2025. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Share Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the tax treaties notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

For Southbound Investors (including enterprises and individuals), the Shanghai branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the Shareholders of the Southbound Trading, will receive all dividends distributed by the Company and will distribute the dividends to the relevant Shareholders under the Southbound Trading through its depositary and clearing system. According to the relevant provisions under the "Notice on Taxation Policies for Shanghai-Hong Kong Stock Connect Pilot Programme (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》" and "Notice on Taxation Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme (Cai Shui [2016] No. 127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》", the Company shall withhold and pay individual income tax at the rate of 20% with respect to dividends received by the Mainland individual investors for investing in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Southbound Trading. In respect of the dividends for the investment of Mainland securities investment funds in the H Shares of the Company listed on Hong Kong Stock Exchange through the Southbound Trading, the tax levied on dividends derived from such investment shall be ascertained by reference to the rules applicable to the treatment of individual income tax. The Company is not required to withhold and pay income tax on dividends derived by the Mainland enterprise investors under the Southbound Trading, and such enterprises shall report the income and make tax payment by themselves. The record date for entitlement to the Shareholders' rights and the relevant arrangements of dividend distribution for the Southbound Investors are the same as those for the Company's H Share Shareholders.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the H Share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the H Share Shareholders or any disputes relating to the tax withholding and payment mechanism or arrangements.

Closure of Register of Members

For the purpose of ascertaining the H Share Shareholders' rights to attend and vote at the 2024 AGM (and any adjournment thereof), and H Share Shareholders' entitlement to the 2024 final dividend, the H Share's register of members of the Company will be closed. Details of such closures are set out below:

(1) For ascertaining the H Share Shareholders' rights to attend and vote at the 2024 AGM (and any adjournment thereof)

Latest time to lodge transfer documents for registration	4:30 p.m. on 14 May 2025
Closure of register of members (both days inclusive)	15 May 2025 to 20 May 2025
Record date	20 May 2025

(2) For ascertaining the H Share Shareholders' entitlement to the 2024 final dividend

Latest time to lodge transfer documents for registration	4:30 p.m. on 26 May 2025
Closure of register of members (both days inclusive)	27 May 2025 to 30 May 2025
Record date	30 May 2025

During the above closure periods, no transfer of H Shares will be registered. To be eligible to attend and vote at the 2024 AGM, and to qualify for the 2024 final dividend, all transfer documents, accompanied by the relevant certificates, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by no later than the aforementioned latest times.

Directors of the Company

The following table sets out information concerning the Directors as at 31 December 2024:

Name	Position	Date of the first appointment as a Director
Zhang Zhiyong	Chairman of the Board and executive Director	3 May 2018
Chen Li	General Manager and executive Director	20 May 2024
Tang Yongbo	Non-executive Director	16 June 2023
Liu Guiqing	Non-executive Director	14 January 2022
Fang Xiaobing	Non-executive Director	10 October 2022
Dong Chunbo	Independent non-executive Director	10 October 2022
Hu Zhanghong	Independent non-executive Director	14 January 2022
Sin Hendrick	Independent non-executive Director	10 October 2022
Zhang Wei	Independent non-executive Director	13 September 2024

On 13 March 2024, Mr. Zhang Guohou has resigned from his position as an independent non-executive Director, by reason of age.

On 20 May 2024, Mr. Chen Li was appointed as an executive Director at the 2023 AGM and his term of office took effect from 20 May 2024.

On 13 September 2024, Ms. Zhang Wei was appointed as an independent non-executive Director at the 2024 First EGM and her term of office took effect from 13 September 2024.

On 18 November 2024, Mr. Gao Chunlei has resigned from his position as an executive Director, due to change in work arrangement.

On 23 December 2024, Mr. Gao Tongqing has resigned from his position as a non-executive Director, by reason of age.

The Company has received annual confirmations of independence from each of Mr. Dong Chunbo, Mr. Hu Zhanghong, Mr. Sin Hendrick and Ms. Zhang Wei, being the independent non-executive Directors for the year ended 31 December 2024, pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

Supervisors of the Company

The following table sets out information concerning the Supervisors as at 31 December 2024:

Name	Position	Date of the first appointment as a Supervisor
Fan Xiaoqing	Chairman of the Supervisory Committee and employee representative Supervisor	14 April 2021
Cao Yingchun	Shareholder representative Supervisor	20 May 2024
Li Zhangting	Shareholder representative Supervisor	13 October 2020
Han Fang	Shareholder representative Supervisor	14 January 2022
Li Tienan	Shareholder representative Supervisor	31 July 2019
Wang Hongwei	Employee representative Supervisor	3 May 2018

On 12 April 2024, Mr. Liu Wei has resigned from his position as a Supervisor due to adjustment in work responsibilities.

On 20 May 2024, Ms. Cao Yingchun was appointed as a Supervisor at the 2023 AGM and her term of office took effect from 20 May 2024.

Profiles of the Directors and the Supervisors as at 31 December 2024 are set out in the "Profiles of Directors, Supervisors and Senior Management" section of this annual report.

Directors' and Supervisors' Service Contracts

Each of the Directors and the Supervisors has entered into a service contract with the Company, for a term of three years from the date of appointment until the end of the term of such session of the Board or the Supervisory Committee, and is eligible for re-election upon expiry of his/her term of office. The service agreements do not contain a term that the Company is required to pay the compensation (other than statutory compensation) if the Company terminates the contract within a year.

Share Capital

The Company was established by three communication service providers in China, i.e. China Mobile Company, China Unicom Corporation and China Telecom (the "Three TSPs") as a joint stock limited liability company under the Company Law of the PRC on 15 July 2014 in the PRC, with a total registered capital of RMB10,000 million. Upon its establishment, China Mobile Company, China Unicom Corporation and China Telecom subscribed for 4,000 million shares, 3,010 million shares and 2,990 million shares of the Company, respectively, in cash at a par value of RMB1.00 per Share, which accounted for 40%, 30.1% and 29.9% of equity interests in the Company respectively on the date of establishment.

In 2015, the Company issued new shares to the Three TSPs and China Reform. The share capital of the Company was increased to RMB129,344,615,024.

On 8 August 2018, the Company completed its H Shares global offering with an issuance and allotment of 43,114,800,000 new H Shares on the Main Board of the Hong Kong Stock Exchange in aggregate, and the offer price was HK$1.26 per Share. The joint representatives of the global offering exercised part of the Over-allotment Option on 30 August 2018, pursuant to which, the Company issued and allotted an addition of 3,549,056,000 new H Shares with an offer price of HK$1.26 per Share on 6 September 2018.

Share Consolidation and Capital Reduction

On 21 November 2024, the Board announced its proposal to implement the Share Consolidation and Capital Reduction on the basis that (i) every ten (10) Existing Shares with a par value of RMB1.00 each be consolidated into one (1) Consolidated and Reduced Share with a par value of RMB1.00 each; and (ii) the total issued share capital of the Company be reduced from RMB176,008,471,024 to RMB17,600,847,102.

On 23 December 2024, the resolutions in relation to the Share Consolidation and Capital Reduction was duly passed at the 2024 Second EGM, the Company's first class meeting of the H Share Shareholders of 2024 and the Company's first class meeting of the Domestic Shareholders of 2024 by the Shareholders attending the respective Shareholders' meetings.

As at 31 December 2024, the registered share capital of the Company was RMB176,008,471,024, divided into 176,008,471,024 Shares of par value RMB1.00 per Share. The share capital of the Company was as follows:

Shares	Number of Shares	Approximate percentage of the issued share capital
Domestic Shares (total number)	**129,344,615,024**	**73.49%**
China Mobile Company	49,150,953,709	27.93%
China Unicom Corporation	36,345,836,822	20.65%
China Telecom	36,087,147,592	20.50%
China Reform and its wholly-owned subsidiaries	7,760,676,901	4.41%
H Shares (total number)	**46,663,856,000**	**26.51%**
Total	**176,008,471,024**	**100.00%**

As all conditions of the Share Consolidation and Capital Reduction had been fulfilled, the Share Consolidation and Capital Reduction became effective on 20 February 2025.

For details of the Share Consolidation and Capital Reduction, please refer to the announcements of the Company dated 21 November 2024, 23 December 2024 and 20 February 2025, as well as the circular of the Company dated 6 December 2024.

As at the date of this report, the registered share capital of the Company is RMB17,600,847,102, divided into 17,600,847,102 Shares of par value RMB1.00 per Share. The share capital of the Company is as follows:

Shares	Number of Shares	Approximate percentage of the issued share capital
Domestic Shares (total number)	**12,934,461,502**	**73.49%**
China Mobile Company	4,915,095,371	27.93%
China Unicom Corporation	3,634,583,682	20.65%
China Telecom	3,608,714,759	20.50%
China Reform and its wholly-owned subsidiaries	776,067,690	4.41%
H Shares (total number)	**4,666,385,600**	**26.51%**
Total	**17,600,847,102**	**100.00%**

Purchase, Sale or Redemption of the Company's Listed Securities

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

Material Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2024, the interests or short position of persons who are entitled to exercise or control the exercise of 5% or more of the voting power at any of the Company's general meetings (excluding the Directors and Supervisors) in the shares or underlying shares of equity derivatives of the Company as recorded in the register required to be maintained under Section 336 of the provisions of Division 6 of Part XV of the SFO are as follows:

Name of shareholder	Nature of interest	Class of shares	Number of shares held[(1)(6)]	Percentage of shares in the relevant class of shares of the Company	Percentage of shares in the total shares in issue of the Company
CMCC[(2)]	Interest held by controlled corporations	Domestic Shares	49,150,953,709(L)	38.0%	27.9%
China Mobile (Hong Kong) Group Limited (中國移動(香港)集團有限公司)[(2)]	Interest held by controlled corporations	Domestic Shares	49,150,953,709(L)	38.0%	27.9%
China Mobile Hong Kong (BVI) Limited (中國移動香港(BVI)有限公司)[(2)]	Interest held by controlled corporations	Domestic Shares	49,150,953,709(L)	38.0%	27.9%
China Mobile[(2)]	Interest held by controlled corporations	Domestic Shares	49,150,953,709(L)	38.0%	27.9%
China Mobile Communication (BVI) Limited (中國移動通信(BVI)有限公司)[(2)]	Interest held by controlled corporations	Domestic Shares	49,150,953,709(L)	38.0%	27.9%
China Mobile Company[(2)]	Legal and beneficial owner	Domestic Shares	49,150,953,709(L)	38.0%	27.9%
CUC[(3)]	Interest held by controlled corporations	Domestic Shares	36,345,836,822(L)	28.1%	20.7%
China Unicom A Share Company[(3)]	Interest held by controlled corporations	Domestic Shares	36,345,836,822(L)	28.1%	20.7%
China Unicom Group Corporation (BVI) Limited (中國聯通集團(BVI)有限公司)[(3)]	Interest held by controlled corporations	Domestic Shares	36,345,836,822(L)	28.1%	20.7%
China Unicom (BVI) Limited (中國聯通(BVI)有限公司)[(3)]	Interest held by controlled corporations	Domestic Shares	36,345,836,822(L)	28.1%	20.7%

Name of shareholder	Nature of interest	Class of shares	Number of shares held[1][6]	Percentage of shares in the relevant class of shares of the Company	Percentage of shares in the total shares in issue of the Company
China Unicom[3]	Interest held by controlled corporations	Domestic Shares	36,345,836,822(L)	28.1%	20.7%
China Unicom Corporation[3]	Legal and beneficial owner	Domestic Shares	36,345,836,822(L)	28.1%	20.7%
CTC[4]	Interest held by controlled corporations	Domestic Shares	36,087,147,592(L)	27.9%	20.5%
China Telecom[4]	Legal and beneficial owner	Domestic Shares	36,087,147,592(L)	27.9%	20.5%
China Reform[5]	Legal and beneficial owner/Interest held by controlled corporations	Domestic Shares	7,760,676,901(L)	6.0%	4.4%
GIC Private Limited	Investment manager	H Shares	3,220,448,000(L)	6.90%	1.83%
BlackRock, Inc.	Interest held by controlled corporations	H Shares	2,847,554,299(L) 224,354,000(S)	6.10% 0.48%	1.62% 0.13%

Notes:

(1) (L) – Long position; (S) – Short position; (P) – Interest in a lending pool.

(2) By virtue of the SFO, each of CMCC, China Mobile (Hong Kong) Group Limited, China Mobile Hong Kong (BVI) Limited, China Mobile Communication (BVI) Limited and China Mobile is deemed to have an interest in the Shares held by China Mobile Company.

(3) By virtue of the SFO, each of CUC, China Unicom A Share Company, China Unicom (BVI) Limited, China Unicom Group Corporation (BVI) Limited and China Unicom is deemed to have an interest in the Shares held by China Unicom Corporation.

(4) By virtue of the SFO, CTC is deemed to have an interest in the Shares held by China Telecom.

(5) China Reform indirectly holds 4,000,676,901 domestic Shares through China Reform Development Fund Management Co., Ltd. (國新發展投資管理有限公司) and 3,760,000,000 domestic Shares are held through its wholly-owned subsidiary, Davo Qihang.

(6) The information disclosed herein for the number of Shares held has not been adjusted for the Share Consolidation and Capital Reduction which became effective on 20 February 2025.

Save as disclosed above, as at 31 December 2024, in the register required to be maintained under Section 336 of the SFO, no other persons were recorded to hold any interests or short positions in the shares or underlying shares of equity derivatives of the Company.

Restricted Share Incentive Scheme

Purposes

The Company adopted the Restricted Share Incentive Scheme on 18 April 2019, upon the approval at the 2018 AGM. The Restricted Share Incentive Scheme aims at (i) improving the corporate governance structure of the Company, establishing and enhancing the interests of employees and the Shareholders as well as the interests of investors and the Company as a whole, and forming a good and balanced value distribution system; (ii) establishing benefits and risk sharing mechanisms for Shareholders, the Company and employees, avoiding short-term behavior, and promoting the Company's performance improvement and long-term stable development; and (iii) effectively attracting, retaining and motivating core staff necessary for the development of the Company and reinforcing the long-term sustainable talent base for the Company.

Participants

Participants under the Restricted Share Incentive Scheme are Directors, senior management of the Company and core technical and management personnel contributing directly to the overall business performance and sustainable development of the Company.

Shares Available under the Restricted Share Incentive Scheme

The Restricted Share Incentive Scheme does not involve the grant of the Restricted Shares over new shares or other new securities that may be issued by the Company. The Trustee shall purchase from the secondary market certain number of H Shares to be granted as instructed by the Board.

The Company has not issued and will not issue any new shares or other new securities pursuant to the Restricted Share Incentive Scheme.

Maximum Grant

The maximum total number of Restricted Shares granted or to be granted under the Restricted Share Incentive Scheme shall not exceed 10% of the total issued share capital of the Company as at the date the Restricted Share Incentive Scheme approved by the Shareholders at the 2018 AGM, i.e. 176,008,471,024 Shares (with the relevant total issued share capital of the Company being adjusted to 17,600,847,102 to reflect the effects of the Share Consolidation and Capital Reduction).

Maximum Entitlement of Each Participant

Without special approval of any general meeting of Shareholders, the total number of Restricted Shares granted or to be granted to any Participant under the Restricted Share Incentive Scheme shall not exceed 1% of the total issued share capital of the Company as at the date the Restricted Share Incentive Scheme approved by the Shareholders at the 2018 AGM, i.e. 176,008,471,024 Shares (with the relevant total issued share capital of the Company being adjusted to 17,600,847,102 to reflect the effects of the Share Consolidation and Capital Reduction).

Unlocking Period

The Unlocking Period shall be 24 months to 60 months from granting of the Restricted Shares, including the Lock-up Period. If the conditions for unlocking as required by the Restricted Share Incentive Scheme are met during the Unlocking Period, the Restricted Shares granted shall be unlocked in three tranches as follows.

Unlocking Arrangement	Unlocking Time	Unlocking Percentage
First Unlocking Period	From the first trading day after 24 months from the Grant Date and ending on the day which is the last trading day within 36 months	40%
Second Unlocking Period	From the first trading day after 36 months from the Grant Date and ending on the day which is the last trading day within 48 months	30%
Third Unlocking Period	From the first trading day after 48 months from the Grant Date and ending on the day which is the last trading day within 60 months	30%

Grant Price, Basis for Determining the Grant Price and Payment Period

Pursuant to the Restricted Share Incentive Scheme, the Grant Price of the Restricted Shares shall be no less than 50% of the reference price and the pricing reference date of the Grant Price is the Grant Date. The reference price shall be the higher of:

(i) the closing price of the H Shares on the Hong Kong Stock Exchange on the Grant Date; and

(ii) the average closing price of the H Shares for the five trading days as quoted on the Hong Kong Stock Exchange immediately preceding the Grant Date.

Pursuant to the Restricted Share Incentive Scheme and the agreement for grant of Restricted Shares entered into between the Company and each of the Participants, the Participants shall pay the subscription funds for the Restricted Shares granted to the Company's designated account within the time period as prescribed by the Company. There is no additional amount payable on application or acceptance of the Restricted Shares awarded.

If matters such as converting capital reserve into new shares, issue of bonus share, share subdivisions, share consolidation or additional offering occur in the Company, prior to the unlocking of Restricted Shares, the Grant Price will be subject to adjustments in accordance with the relevant requirements of the Restricted Share Incentive Scheme.

Duration

The Restricted Share Incentive Scheme has a term of ten years commencing from 18 April 2019, unless early terminated by relevant requirements of the Restricted Share Incentive Scheme.

Details of the Restricted Shares Granted under the Restricted Share Incentive Scheme

On 18 April 2019, the Board approved the Initial Grant under the Restricted Share Incentive Scheme and approved the First Tranche of Grant and the Second Tranche of Grant on 18 April 2019 and 19 December 2019, respectively.

The Grant Price of the Restricted Shares granted under the Initial Grant (for both the First Tranche of Grant and Second Tranche of Grant)[Note] is RMB1.03 per Restricted Share (equivalent to approximately HK$1.20 per Restricted Share), which equals the higher of (i) the audited net assets per share as of 31 December 2018 (i.e. RMB1.03) and (ii) 50% of the reference price.

The reference price shall be the higher of:

(i) HK$2.20, being the closing price of the Company's H Shares on the Hong Kong Stock Exchange on 18 April 2019; and

(ii) HK$2.09, being the average closing price of Company's H Shares for the five trading days as quoted on the Hong Kong Stock Exchange immediately preceding 18 April 2019.

The Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant under the Initial Grant entered the first Unlocking Period in 2021. As the operating revenue of the Group for the year of 2020 did not reach the target set out in the conditions for unlocking the Restricted Shares, such conditions for unlocking were not fulfilled and therefore the relevant Restricted Shares could not be unlocked according to the terms and conditions of the Restricted Share Incentive Scheme. The interests of relevant Participants in such Restricted Shares have been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and the laws and regulations, which represented 40% of interests in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant mentioned above.

The Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant under the Initial Grant entered the second Unlocking Period in 2022. As the operating revenue of the Group for the year of 2021 did not reach the target set out in the conditions for unlocking the Restricted Shares, such conditions for unlocking were not fulfilled and therefore the relevant Restricted Shares could not be unlocked according to the terms and conditions of the Restricted Share Incentive Scheme. The interests of relevant Participants in such Restricted Shares have been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and the laws and regulations, which represent 30% of interests in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant mentioned above.

The Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant under the Initial Grant entered the third Unlocking Period in 2023. As the operating revenue of the Group for the year of 2022 did not reach the target set out in the conditions for unlocking the Restricted Shares, such conditions for unlocking were not fulfilled and therefore the relevant Restricted Shares could not be unlocked according to the terms and conditions of the Restricted Share Incentive Scheme. The interest of relevant Participants in such Restricted Shares have been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and the laws and regulations, which represent 30% of interests in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant mentioned above.

Note: The information disclosed regarding the Grant Price of the Restricted Shares granted under the Initial Grant (for both the First Tranche of Grant and Second Tranche of Grant) above has not been adjusted for the Share Consolidation and Capital Reduction which became effective on 20 February 2025.

As disclosed above, the Restricted Shares granted under the Initial Grant (for both the First Tranche of Grant and Second Tranche of Grant) failed to be unlocked for the first Unlocking Period, the second Unlocking Period and the third Unlocking Period, respectively. As at 31 December 2023, the interests of relevant Participants in such Restricted Shares had been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and laws and regulations, which represented 100% of the interests in aggregate in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant. As at 31 December 2024, there were no outstanding Restricted Shares granted under the Initial Grant (for both the First Tranche of Grant and Second Tranche of Grant).

For the year ended 31 December 2024, no Restricted Shares had been granted to (i) the Directors, chief executive or any substantial Shareholders of the Company, or any associate of any of them; or (ii) Participants with awards granted and to be granted in excess of the 1% individual limit; or (iii) any employee participant, related entity participant or service provider.

Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 December 2024, none of the Directors, Supervisors and chief executive of the Company had any interests and/or short positions in the shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

As at 31 December 2024, the Company has not granted its Directors, Supervisors or chief executive of the Company, or their respective spouses or children below the age of 18 any rights to subscribe for the Shares or debentures of the Company or any of its associated corporations and none of them has ever exercised any such right to subscribe for the shares or debentures of the Company.

Directors' and Supervisors' Interests in Transactions, Arrangements or Contracts

Save for the transactions, arrangements or contracts set out in the sections titled "Management Discussion and Analysis", "Directors' and Supervisors' Service Contracts", "Major Customers and Suppliers", "Continuing Connected Transactions", "Restricted Share Incentive Scheme" and "Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" under "Report of the Directors" of this annual report and note 30 to the audited consolidated financial statements, no other transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a person who was a Director or Supervisor of the Company or his or her connected entity had, directly or indirectly, a material interest subsisted at any time during the year ended 31 December 2024.

Remuneration of Directors and Supervisors

The remuneration of the Directors and Supervisors is determined with reference to the remuneration paid by relevant companies in the PRC telecommunications industry and the achievement of major operating indicators of the Company. Among which, the remuneration of the executive Directors shall be determined in accordance with the provisions of the remuneration administrative measures considered and approved by the 2022 Third EGM. The Directors and Supervisors who receive remuneration from the Company are paid in forms of salaries, allowances, social insurance, housing provident fund and corporate annuity.

Details of remuneration of all the Directors and Supervisors for 2024 are set out in note 7 to the audited consolidated financial statements for the year.

Permitted Indemnity

During the year ended 31 December 2024 and as at date of this report, the Company has arranged appropriate insurance cover in respect of potential legal actions against the directors of the Group. Except for such insurances, the Company has no valid permitted indemnity provisions (as defined in Companies (Directors' Report) Regulation of the Chapter 622D of Hong Kong Laws) during the reporting period and at the time of approval of this report.

Material Acquisitions or Disposals

For the year ended 31 December 2024, the Company has no material acquisitions and disposals.

Public Float

As at the date of this annual report, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules and as approved by the Hong Kong Stock Exchange.

Summary of Financial Information

The summary of the operating results, assets and liabilities of the Group for each of the five years ended 31 December 2024 are set out on pages 184 to 186 of this annual report.

Debt Financing Instruments

The Group publicly issued medium-term notes in the China Interbank Bond Market in 2021, for the purpose of repaying the debts of the Group, replenishing liquidity and other purposes as permitted by applicable laws and regulations. Details of such notes are set out in note 23 to the audited consolidated financial statements for the year.

Bank Loans and Other Borrowings

Details of bank loans and other borrowings of the Group are set out in note 23 to the audited consolidated financial statements for the year.

Capitalized Interest

Details of capitalized interest of the Group for the year ended 31 December 2024 are set out in note 11 to the audited consolidated financial statements for the year.

Fixed Assets

Details of the movement in fixed assets of the Group for the year ended 31 December 2024 are set out in note 14 to the audited consolidated financial statements for the year.

Reserves

According to the Article 160 of the Articles of Association, in addition to the PRC accounting standards and regulations, the financial statements of the Company shall also be prepared in accordance with the international accounting standards or the accounting standards of the place outside the PRC where the shares of the Company are listed. Any material discrepancy between the financial statements prepared in accordance with two different accounting standards shall be explained in the notes to the financial statements. Distribution of profits after tax of the relevant financial year shall be based on the lower of the profits after tax shown in the two financial statements mentioned above.

Distributable reserves of the Company as at 31 December 2024, calculated on the above basis and including the proposed final dividends for 2024, amounted to RMB9,656 million.

Details of the movement in reserves of the Company and the Group for the year ended 31 December 2024 are set out in note 29 and note 22 to the audited consolidated financial statements for the year, respectively.

Equity-linked Agreements

For the year ended 31 December 2024, the Company has not entered into any equity-linked agreements.

Donations

For the year ended 31 December 2024, the Group made charitable and other donations of a total amount of RMB36.4 million.

Subsidiaries and Associated Company

Details of subsidiaries of the Company and the associated company of the Group as at 31 December 2024 are set out in note 18 to the audited consolidated financial statements for the year.

Changes in Equity

Please refer to the consolidated statement of changes in equity contained in the audited consolidated financial statements for the year (page 117 of this annual report).

Retirement Benefits

Details of the retirement benefits provided by the Group are set out in note 7 to the audited consolidated financial statements for the year.

Pre-emptive Rights

There are no provisions for pre-emptive rights in the Articles of Association and the PRC laws requiring the Company to issue new shares to the existing Shareholders in proportion to their shareholdings.

Employees and Remuneration Policies

As at 31 December 2024, the Group had approximately 24,107 staff. Total staff costs for the year amounted to RMB9,573 million, which included wages, social insurance, housing provident fund, corporate supplemental insurance, expenses on benefits, working fund for labor union, education fund, and labor security expenses.

The Group persists in establishing and optimizing a value-oriented unified remuneration system based on a proactive and effective incentive mechanism, materializing optimization of resources allocation and maximization of corporate efficiency; adhering to the philosophy of market allocation based on value of position, contribution in terms of capability and performance difference; maintaining competitiveness of remuneration, attracting, motivating and retaining core staff. Staff remuneration is mainly comprised of wages of different positions, wages in terms of performance, allowances and grants, and social insurance.

The Company also adopted the Restricted Share Incentive Scheme pursuant to which the Company can grant H Shares to the Participants. Please see "Restricted Share Incentive Scheme" above for details.

Major Customers and Suppliers

For the year ended 31 December 2024, the revenue from providing services to the Group's five largest customers (including CMCC Group, CTC Group and CUC Group) accounted for 87.0% of total revenue of the Group for the full-year, while revenue from the largest customer accounted for 43.4% of total revenue of the Group for the full-year.

For the year ended 31 December 2024, procurements from the Group's five largest suppliers were less than 30% of total procurement expenditures and expenses of the Group for the year. Procurement expenditures and expenses represent (i) the addition of property, plant and equipment, land use right and software in our consolidated statements of financial position on accrual basis, and (ii) site operating lease charges, repairs and maintenance and other operating expenses, which are expensed as incurred and recorded in our consolidated statements of comprehensive income on accrual basis.

So far is known to the Board, except for CMCC, China Mobile (Hong Kong) Group Limited, China Mobile Hong Kong (BVI) Limited, China Mobile Communication (BVI) Limited, China Mobile, China Mobile Company, CUC, China Unicom A Share Company, China Unicom (BVI) Limited, China Unicom Group Corporation (BVI) Limited, China Unicom, China Unicom Corporation, CTC, China Telecom (all of which are interested in more than 5% of the issued share capital of the Company, details of which are set out in "Report of the Directors – Material Interests and Short Positions in Shares and Underlying Shares of the Company" of this annual report), Mr. Tang Yongbo, Mr. Liu Guiqing, Ms. Cao Yingchun, Mr. Li Zhangting and Ms. Han Fang (the positions of which are set out in "Profiles of Directors, Supervisors and Senior Management" of this annual report), neither the Directors and Supervisors, their respective close associates, nor any Shareholders who own more than 5% of our issued share capital, had any interest in any of the above customers or suppliers.

Continuing Connected Transactions

China Mobile Company, China Unicom Corporation, and China Telecom are our substantial Shareholders. Under the Hong Kong Listing Rules, China Mobile Company, China Unicom Corporation and China Telecom and their respective associates are connected persons of the Company.

The Company conducts certain transactions with the above connected persons in its ordinary course of business, and these transactions constitute our continuing connected transactions under the Hong Kong Listing Rules.

The details of the continuing connected transactions conducted by the Company during 2024 that are subject to reporting requirement are as follows:

A. Principal Services Provided to the Telecom Shareholders

During the reporting period, the Company provided relevant services of tower products, DAS products, transmission products and service products (the "**Relevant Products**") to each of the Telecom Shareholders and their respective branches or subsidiaries.

A.1.	Principal services provided to China Mobile Company and its subsidiaries	Subject to announcement, Independent Shareholders' approval and annual caps requirements
	(1) service in relation to tower products	
	(2) service in relation to DAS products	
	(3) service in relation to transmission products	
	(4) service in relation to service products	
A.2.	Principal services provided to China Unicom Corporation	Subject to announcement, Independent Shareholders' approval and annual caps requirements
	(1) service in relation to tower products	
	(2) service in relation to DAS products	
	(3) service in relation to transmission products	
	(4) service in relation to service products	
A.3.	Principal services provided to China Telecom	Subject to announcement, Independent Shareholders' approval and annual caps requirements
	(1) service in relation to tower products	
	(2) service in relation to DAS products	
	(3) service in relation to transmission products	
	(4) service in relation to service products	

Agreements related to the Principal Services Provided to the Telecom Shareholders

On the 2022 Third EGM held on 30 December 2022, the Company was approved to enter into two 2023-2027 Service Framework Agreements with each of the Telecom Shareholders (six agreements in total), comprising one 2023-2027 Commercial Pricing Agreement, and one 2023-2027 Service Agreement, the signing arrangement of which was completed on 18 January 2023.

Products and Services

Service in relation to tower products: the Company, to serve the needs for the space required for hosting telecommunications equipment of each of the Telecom Shareholders and their respective branches/subsidiaries, provides, constructs and maintains the tower products, including towers, shelters, and ancillary facilities, together with the provision of other services in connection with the above;

Service in relation to DAS products: the Company provides, constructs and maintains the DAS products together with the provision of other services in connection with the above, including the whole DAS, shelters and accessory facilities based on the needs of each of the Telecom Shareholders and their respective branches or subsidiaries for telecommunications signal feed-in and indoor extensive coverage, together with the provision of other services in connection with the above;

Service in relation to transmission products: the Company provides and constructs ducts, pole lines, optical fiber, public manholes in front of sites and exits and routes to sites together with other services in connection with the above for each of the Telecom Shareholders and their respective branches/ subsidiaries; and

Service in relation to service products: the Company provides power supply and generation services to each of the Telecom Shareholders and their respective branches/subsidiaries in connection with the tower products and DAS products, which include power service, gasoline or diesel power generation service and extra battery assurance service.

Agreement Term and Service Period

The term of the 2023-2027 Service Framework Agreements is from 1 January 2023 to 31 December 2027. The service period of the Relevant Products and each service is five years. Prior to the expiry of the 2023-2027 Service Framework Agreements on 31 December 2027, the parties shall negotiate to determine matters in relation to the pricing.

Pricing Policy

The pricing policy is determined after arm's length negotiations by the relevant parties during the ordinary and usual course of business of the Company with reference to the construction cost, maintenance cost, site fee, management cost, operating cost, labor cost and appropriate profit margins, as applicable, of each of the relevant services.

For the details of the Principal Services provided to the Telecom Shareholders, including but not limited to the background of the 2023-2027 Service Framework Agreements and the respective pricing policy of the Relevant Products, please refer to the announcements of the Company dated 14 December 2022, 30 December 2022 and 18 January 2023 and the circular of the Company dated 15 December 2022.

Annual Caps and Transaction Amounts in 2024

During the reporting period, the annual caps and transaction amounts of the Principal Services Provided to the Telecom Shareholders and their respective branches or subsidiaries by the Company are as follows:

		Annual caps for 2024 (RMB in million)	Transaction amounts in 2024 (RMB in million)
A.1.	Transaction amount of the services provided to China Mobile Company and its subsidiaries		
	Revenue generated by the Group		
	(1) tower products	–	37,136
	(2) DAS products	–	3,741
	(3) transmission products	–	44
	(4) service products	–	963
	Total	**46,001**	**41,884**
	Maximum daily balance of the advances made by the Group in relation to services of paying electricity fee on behalf of customer	3,405	2,650
A.2.	Transaction amount of the services provided to China Unicom Corporation		
	Revenue generated by the Group		
	(1) tower products	–	18,412
	(2) DAS products	–	1,852
	(3) transmission products	–	46
	(4) service products	–	374
	Total	**21,058**	**20,684**
	Maximum daily balance of the advances made by the Group in relation to services of paying electricity fee on behalf of customer	1,548	934

		Annual caps for 2024 (RMB in million)	Transaction amounts in 2024 (RMB in million)
A.3.	Transaction amount of the services provided to China Telecom		
	Revenue generated by the Group		
	(1) tower products	–	18,277
	(2) DAS products	–	2,208
	(3) transmission products	–	47
	(4) service products	–	469
	Total	**24,508**	**21,001**
	Maximum daily balance of the advances made by the Group in relation to services of paying electricity fee on behalf of customer	1,548	1,003

As the highest applicable percentage ratio (as set out in Rule 14.07 of the Listing Rules) with respect to the annual caps for the revenue to be generated by the Company from the transactions contemplated under the 2023-2027 Service Framework Agreements with each of the Telecom Shareholders is more than 5%, such transactions with each of the Telecom Shareholders are subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as part of the services products under the 2023-2027 Service Framework Agreements, if the relevant Telecom Shareholders and/or their branches/subsidiaries elect so, the Company may pay electricity fees incurred by the Telecom Shareholders and/or their branches/subsidiaries to the relevant electricity providers and/or owners of the sites and afterwards be reimbursed by the relevant Telecom Shareholders and/or their branches/subsidiaries. Such payments of electricity fees by the Company constitute financial assistances provided by the Company to each of the Telecom Shareholders which are transactions subject to the requirements of both Chapter 14A and Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as set out in Rule 14.07 of the Listing Rules) with respect to the annual caps for the maximum daily balance of advances to be made by the Company to each of the Telecom Shareholders and their respective branches/subsidiaries under the respective 2023-2027 Service Framework Agreements is expected to be less than 5%, technically such transactions are subject to reporting, annual review and announcement requirements but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. However, given such transactions are connected to other transactions of revenue nature with each of the Telecom Shareholders under the same agreements which are subject to Shareholders' approval requirements as described above, the Company has voluntarily put such transactions as described above for the Independent Shareholders' consideration and approval at the extraordinary general meeting. The 2023-2027 Service Framework Agreements with each of the Telecom Shareholders together with the annual caps thereof were approved by the Company's Independent Shareholders at the 2022 Third EGM held on 30 December 2022.

B. Property Leasing from Each of CUC and CTC and/or Their Respective Associates

During the reporting period, the Company leased certain properties from each of CUC and CTC and/or their respective associates.

B.1.	Property leasing from CUC and/or its associates	Subject to announcement requirement
B.2.	Property leasing from CTC and/or its associates	Subject to announcement requirement

2024-2026 Property Lease Framework Agreements with each of CUC and CTC

On 27 November 2023, the Company and each of CUC and CTC have entered into the 2024-2026 Property Lease Framework Agreement with CUC and the 2024-2026 Property Lease Framework Agreement with CTC (collectively, the "**2024-2026 Property Lease Framework Agreements**"), respectively, to renew the 2021-2023 Property Lease Framework Agreement with CUC and the 2021-2023 Property Lease Framework Agreement with CTC. The terms and conditions of the 2024-2026 Property Lease Framework Agreements are substantially the same as the 2021-2023 Property Lease Framework Agreement with each of CUC and CTC, pursuant to which the Group may lease certain properties from each of CUC and CTC and/or their respective associates. For details of the 2024-2026 Property Lease Framework Agreements, please refer to the announcement of the Company dated 27 November 2023.

Services Provided

Pursuant to the 2024-2026 Property Lease Framework Agreements, the properties to be leased from each of CUC and CTC and/or their respective associates include buildings and land. Each of CUC and CTC and/or their respective associates also provide relevant property management services in relation to some of the properties leased to the Group.

Contract Period

The 2024-2026 Property Lease Framework Agreements with each of CUC and CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

Under the 2024-2026 Property Lease Framework Agreements, the rents and management fees shall be determined and paid as follows:

- the rents of office buildings will be determined with reference to the market price at the time of signing individual agreements. If there is no market price or the market price cannot be determined, the rents and management fees will be determined by the parties with reference to reasonable costs, taxes payable and reasonable profits and in other applicable method (if any);

- the rents of buildings and land used for the Company's production and operation (sites) will be determined with reference to the market price at the time of signing individual agreements. If there is no market price or the market price cannot be determined, the rents and management fees will be determined by the parties with reference to reasonable costs, taxes payable and reasonable profits and in other reasonable method (if any);

- during the leasing term of individual leased property, the management fees, including but not limited to, property fees, water fees, electricity fees, cleaning fees, air-conditioning fees, heating fees, parking fees and other fees related to the use of the leased property, will be determined by the parties with reference to the market price of similar property management service at the time of signing individual agreements; and

- the relevant standard for the rents will be regularly reviewed and adjusted according to individual agreements.

Annual Caps and Transaction Amounts in 2024

During the reporting period, the following continuing connected transactions of the Company has not exceeded their respective annual caps:

B.1. For properties leased from CUC and/or its associates

		Annual caps for 2024 (RMB in million)	Transaction amounts in 2024 (RMB in million)
Office buildings	Rents	N/A	12
	Management fees	N/A	6
	Subtotal	**40**	**18**
Sites	Rents	110	59
	Subtotal	**110**	**59**
Total		**150**	**77**

B.2. For properties leased from CTC and/or its associates

		Annual caps for 2024 (RMB in million)	Transaction amounts in 2024 (RMB in million)
Office buildings	Rents	N/A	14
	Management fees	N/A	42
	Subtotal	**60**	**56**
Sites	Rents	120	119
	Subtotal	**120**	**119**
Total		**180**	**175**

The Company has adopted the IFRS 16 "Lease" on 1 January 2019. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. However, as allowed under IFRS 16, the Company has elected not to recognise right-of-use assets and lease liabilities for lease that at the commencement date have a lease term of 12 months or less and thus recognises the lease payments associated with such leases as an expense on a straightline basis over the lease term. As the terms of substantially all leases under the 2024-2026 Property Lease Framework Agreements are 12 months or less, such leases and the property management services to be received by the Company under such agreements will be continuing connected transactions of the Company and the transaction amounts and annual caps for such transactions represent the amount of rents and management fees to be paid by the Company under the relevant agreements on an annual basis. Where the terms of any leases under the 2024-2026 Property Lease Framework Agreements are longer than 12 months, the Company will recognise right-of-use assets and lease liabilities for such leases.

C. Non-Telecommunications Services Provided by Each of CUC and CTC and/or Their Respective Associates

During the reporting period, the Company procured the relevant non-telecommunications services from each of CUC and CTC and/or their respective associates.

C.1.	Construction, design, supervision, outsourcing maintenance, intermediary, supply chain, training and/or other services provided by CUC and/or its associates	Subject to announcement requirement
C.2.	Construction, design, supervision, outsourcing maintenance, intermediary, supply chain, training and/or other services provided by CTC and/or its associates	Subject to announcement and independent Shareholders' approval requirements

2024-2026 Service Supply Framework Agreements with each of CUC and CTC

On 27 November 2023, the Company and each of CUC and CTC have entered into the 2024-2026 Service Supply Framework Agreement with CUC and the 2024-2026 Service Supply Framework Agreement with CTC (collectively, the "**2024-2026 Service Supply Framework Agreements**"), respectively, to renew the 2021-2023 Service Supply Framework Agreement with CUC and the 2021-2023 Service Supply Framework Agreement with CTC, pursuant to which the associates of each of CUC and CTC will provide construction, design, supervision, outsourcing maintenance, intermediary, supply chain, training and/or other services to the Group. Save for the adding of "other services", other terms and conditions of the 2024-2026 Service Supply Framework Agreements remain the same as the 2021-2023 Service Supply Framework Agreement with each of CUC and CTC. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the annual caps of the transactions contemplated under the 2024-2026 Service Supply Framework Agreement with CTC exceeds 5%, the transactions contemplated under the 2024-2026 Service Supply Framework Agreement with CTC are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under the Listing Rules. The 2024-2026 Service Supply Framework Agreement with CTC together with the relevant annual caps were approved by the Company's independent Shareholders at the 2023 Second EGM held on 22 December 2023. For details of the 2024-2026 Service Supply Framework Agreements, please refer to the announcements of the Company dated 27 November 2023 and 22 December 2023 and the circular of the Company dated 4 December 2023.

Services Provided

The services provided by each of CUC and CTC and/or their respective associates under the 2024-2026 Service Supply Framework Agreements include: construction service, design service, supervision service, outsourcing maintenance service, intermediary service, supply chain service, training service and/or other services.

Contract Period

The 2024-2026 Service Supply Framework Agreements with each of CUC and CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

Transaction terms, such as services fees, payment method and miscellaneous expenses will be determined in accordance with relevant market price. The market price refers to the prevailing price charged by the Independent Third Parties in the ordinary course of business for the provision of the same or similar services, which is obtained by way of open bidding method. Since the market in which the relevant services are provided is a fully competitive market, open bidding procedures can ensure that the Company obtains relatively transparent prices to the extent possible, and the Company would determine the market price by comparing the quotations proposed by the service providers participating in bidding, which is in line with the market practice.

If there is no market price, in order to make sure the prices of services offered are fair and reasonable, the parties shall (i) refer to historical prices related to the services, or (ii) collect the industry market price of similar services with reference to the highest acceptable bidding price for similar services purchased by other companies, which is publicly disclosed on the open bidding and procurement websites.

If there is no market price, historical price or industry market price of similar services, the price shall be determined based on average profit margin plus the actual costs before agreeing on the pricing. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees. When determining the "average profit margin" for any transaction under the 2024-2026 Service Supply Framework Agreements, to the extent practicable, the management of the Group shall take into account the average profit margin for the last three years of at least two Independent Third Parties who provide similar and comparable transactions, with reference to the relevant industry profit margin published by the Ministry of Industry and Information Technology of the PRC.

Annual Caps and Transaction Amounts in 2024

During the reporting period, the following continuing connected transactions of the Company has not exceeded their respective annual caps:

		Annual caps for 2024 (RMB in million)	Transaction amounts in 2024 (RMB in million)
C.1.	Construction, design, supervision, outsourcing maintenance, intermediary, supply chain, training and/or other services provided by CUC and/or its associates	640	422
C.2.	Construction, design, supervision, outsourcing maintenance, intermediary, supply chain, training and/or other services provided by CTC and/or its associates	6,300	5,973

D. Value-added Service Provided to Each of the Telecom Group Companies and/or Their Respective Associates

D.1.	Provision of value-added services to CMCC and/or its associates	Subject to announcement requirement
D.2.	Provision of value-added services to CUC and/or its associates	Subject to announcement requirement
D.3.	Provision of value-added services to CTC and/or its associates	Subject to announcement requirement

The Value-added Service Framework Agreement with Each of the Telecom Group Companies

In light of the increasing transaction amount of value-added services provided by the Group to CMCC and/or its associates, based on the internal review on the continuing connected transactions in 2023, on 27 November 2023, the Company and CMCC have entered into the 2024-2026 Value-added Service Framework Agreement with CMCC, pursuant to which the Group will provide value-added services to CMCC and/or its associates. The value-added services provided by the Group to CMCC and/or its associates under the 2024-2026 Value-added Service Framework Agreement with CMCC include the site resource services under the 2021-2023 Site Resource Service Framework Agreement with CMCC, which had expired on 31 December 2023, and other relevant integrated services. For details of the 2024-2026 Value-added Service Framework Agreement with CMCC, please refer to the announcement of the Company dated 27 November 2023.

In light of the potential value-added service transactions between the Company and CUC and/or its associates, based on the internal review of the continuing connected transactions in 2023, on 27 November 2023, the Company and CUC have entered into the 2024-2025 Value-added Service Framework Agreement with CUC, pursuant to which the Group will provide value-added services to CUC and/or its associates. For details of the 2024-2025 Value-added Service Framework Agreement with CUC, please refer to the announcement of the Company dated 27 November 2023.

On 27 November 2023, the Company and CTC have entered into the 2024-2026 Value-added Service Framework Agreement with CTC, to renew the 2021-2023 Value-added Service Framework Agreement with CTC on substantially the same terms and conditions as the 2021-2023 Value-added Service Framework Agreement with CTC, pursuant to which the Group will provide value-added services to CTC and/or its associates. For details of the 2024-2026 Value-added Service Framework Agreement with CTC, please refer to the announcement of the Company dated 27 November 2023.

Services Provided

The services provided by the Group to each of the Telecom Group Companies and/or their respective associates under the 2024-2026 Value-added Service Framework Agreements with each of CMCC and CTC and the 2024-2025 Value-added Service Framework Agreement with CUC (each, a "**Value-added Service Framework Agreement**") include: site resources service, data information service, energy service and integrated and comprehensive outsourcing maintenance service.

Contract Period

Each of the 2024-2026 Value-added Service Framework Agreement with CMCC and the 2024-2026 Value-added Service Framework Agreement with CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

The 2024-2025 Value-added Service Framework Agreement with CUC took effect on 27 November 2023 and will expire on 31 December 2025.

Pricing Policy

The prices for the value-added services shall be determined by the contracting parties in accordance with the requirements of applicable laws and regulations of the PRC and the relevant administrative rules of the Group.

Transaction terms, such as service fees, payment schedule and method as well as miscellaneous expenses shall be determined in accordance with relevant market price. If there is no market price, the parties shall refer to historical prices related to the services or, collect the information on market prices of such services in the industry through channels such as from other providers of similar services and consider at least two comparable transactions entered into between the Company and the Independent Third Party holding the same qualifications and conditions as those of each of the Telecom Group Companies and/or their respective associates during the same period where practical. When neither historical prices nor comparable market transaction prices are available, in order to make sure such prices offered are fair and reasonable, the parties shall determine the price based on average profit margin in the market or financial cost margin. The average profit margin in the market and financial cost margin for similar services are analysed based on the information of prices of similar services in the industry through channels such as from other providers. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees, which shall be determined by the parties through arm's length negotiation with reference to the actual situation of the industry in which such business is conducted.

If a governmental agency issues a governmental price for the proposed transactions under the agreements during the term of the agreements, the price shall be adjusted with reference to the governmental price.

To provide services under the Value-added Service Framework Agreement with each of the Telecom Group Companies, the Company has established decision-making groups within the industry expansion departments and energy operation departments at the headquarters and provincial branches. The decision-making groups will review the proposed projects of the Company, including those transactions contemplated under the Value-added Service Framework Agreement with each of the Telecom Group Companies. In order to ensure the fairness and reasonableness of the service fees, the decision-making groups shall review, among others, the model of economic benefit assessment. The model includes several indicators such as revenue, cost, investment amount, funds under occupation and expenditure in cash. Where the calculation based on such factors shows that the gross profit margin for providing the service could not reach certain level as prescribed by the Group's internal management measures from time to time, such service would not be provided.

Annual Cap and Transaction Amount in 2024

During the reporting period, the following continuing connected transactions of the Company has not exceeded their respective annual caps:

		Annual cap for 2024 (RMB in million)	Transaction amount in 2024 (RMB in million)
D.1.	Revenue of the Company generated from provision of value-added services to CMCC and/or its associates	600	576
D.2.	Revenue of the Company generated from provision of value-added services to CUC and/or its associates	300	244
D.3.	Revenue of the Company generated from provision of value-added services to CTC and/or its associates	460	368

E. Comprehensive Service from CMCC and/or its Associates

2024-2026 Comprehensive Service Framework Agreement with CMCC

On 27 November 2023, the Company and CMCC have entered into the 2024-2026 Comprehensive Service Framework Agreement with CMCC, to renew the 2021-2023 Service Supply Framework Agreement with CMCC, the 2021-2023 Property Lease Framework Agreement with CMCC, the 2022-2023 Materials Procurement Framework Agreement with CMCC and the 2022-2023 Transmission Resource and Cloud Resource Lease Framework Agreement with CMCC, pursuant to which, the Group will procure comprehensive services from CMCC and/or its associates. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the annual caps of the transactions contemplated under the 2024-2026 Comprehensive Service Framework Agreement with CMCC exceeds 0.1% but is less than 5%, the transactions thereunder are subject to the reporting, annual review and announcement requirements under the Listing Rules. For details of the 2024-2026 Comprehensive Service Framework Agreement with CMCC, please refer to the announcement of the Company dated 27 November 2023.

Services Provided

The services provided by CMCC and/or its associates under the 2024-2026 Comprehensive Service Framework Agreement with CMCC include: property lease and relevant services, materials procurement service, transmission resource and cloud resource lease service and non-telecommunications services (such as construction service, design service, supervision service, outsourcing maintenance service, intermediary service, supply chain service, training service and/or other services).

Contract Period

The 2024-2026 Comprehensive Service Framework Agreement with CMCC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

(1) Property lease and relevant services

Under the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the rents and management fees shall be determined and paid as follows:

(a) the rents of office buildings will be determined with reference to the market price at the time of signing individual agreements. If there is no market price or the market price cannot be determined, the rents and management fees will be determined by the parties with reference to reasonable costs, taxes payable and reasonable profits and in other applicable method (if any);

(b) the rents of buildings and land used for the Company's production and operation (sites) will be determined with reference to the market price at the time of signing individual agreements. If there is no market price or the market price cannot be determined, the rents and management fees will be determined by the parties with reference to reasonable costs, taxes payable and reasonable profits and in other reasonable method (if any);

(c) during the leasing term of individual leased property, the management fees, including but not limited to, property fees, water fees, electricity fees, cleaning fees, air-conditioning fees, heating fees, parking fees and other fees related to the use of the leased property, will be determined by the parties with reference to the market price of similar property management service at the time of signing individual agreements; and

(d) the relevant standard for the rents will be regularly reviewed and adjusted according to individual agreements.

(2) Materials procurement, transmission resource and cloud resource lease service and non-telecommunication services

Under the 2024-2026 Comprehensive Service Framework Agreement with CMCC, the fees under materials procurement, transmission resource and cloud resource lease service and non-telecommunication services shall be determined and paid as follows:

Transaction terms, such as services fees, payment method and miscellaneous expenses will be determined in accordance with relevant market price. If there is no market price, in order to make sure the prices of services offered are fair and reasonable, the parties shall refer to historical prices related to the services and, after collecting the information of market prices of such services in the industry through channels such as bids from other providers of similar services, determine the price based on average profit margin in the market or financial cost margin before agreeing on the pricing. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees, which shall be determined by the parties in consultation with reference to the actual situation of the industry in which such business is conducted.

If, according to the Company's management policies, the relevant business to be procured shall be determined through bidding or other processes, CMCC and/or their respective associates which participate in the bidding shall have the qualifications and conditions not inferior to those of the Independent Third Parties, and shall participate in the bidding or other procurement processes on equal terms with the Independent Third Parties. In such case, the pricing shall be determined in accordance with the final prices agreed in the bidding or other procurement processes.

If a governmental agency issues a governmental price for the proposed transactions under the agreements during the term of the agreements, the price shall be adjusted with reference to the governmental price.

Annual Cap and Transaction Amount in 2024

During the reporting period, the following continuing connected transactions of the Company has not exceeded their respective annual caps:

	Annual cap for 2024 (RMB in million)	Transaction amount in 2024 (RMB in million)
Property lease and relevant services (Total)	300	136
– Office buildings (Rents and management fees)	15	4
– Sites (Rents)	285	132
Materials procurement service	230	140
Transmission resource and cloud resource leasing service	200	181
Non-telecommunication services	950	929

F. Procurement of Materials from CTC and/or its Associates

2024-2026 Materials Procurement Framework Agreement with CTC

On 27 November 2023, the Company and CTC have entered into the 2024-2026 Materials Procurement Framework Agreement with CTC, to renew the 2022-2023 Materials Procurement Framework Agreement with CTC on substantially the same terms and conditions as the 2022-2023 Materials Procurement Framework Agreement with CTC, pursuant to which the Group will purchase products from CTC and/or its associates. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the annual caps of the transactions contemplated under the 2024-2026 Materials Procurement Framework Agreement with CTC exceeds 0.1% but is less than 5%, the transactions thereunder are subject to the reporting, annual review and announcement requirements under the Listing Rules. For details of the 2024-2026 Materials Procurement Framework Agreement with CTC, please refer to the announcement of the Company dated 27 November 2023.

Contract Period

The 2024-2026 Materials Procurement Framework Agreement with CTC has a term of three years taking effect on 1 January 2024 and expiring on 31 December 2026.

Pricing Policy

The prices for the purchase of the materials shall be determined by the contracting parties in accordance with the requirements of relevant laws and regulations of the PRC and the relevant management rules of the Group.

Transaction terms, such as service fees, payment method and miscellaneous expenses will be determined in accordance with relevant market price. If there is no market price, the parties shall refer to historical prices related to the materials or, collect the information of market prices of such services in the industry through channels such as bids from other providers of similar services and at least consider two comparable transactions entered into with the Independent Third Parties holding the same qualifications and conditions as those of the Telecom Group Companies and/or their associates during the same period where practical. When neither historical prices nor comparable market transaction prices are available, in order to make sure the prices of services offered are fair and reasonable, the parties shall determine the price based on average profit margin in the market or financial cost margin. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, financial fees and payable taxes and fees.

The Group shall determine the specific type for materials to be procured through bidding or other processes. CTC and/or its associates which participate in the bidding shall have the qualifications and conditions not inferior to those of the Independent Third Parties, and shall participate in the bidding or other procurement processes on equal terms with the Independent Third Parties. In such case, the pricing shall be determined in accordance with the final prices agreed in the bidding or other procurement processes.

If a governmental agency issues a governmental price for the materials to be traded under the agreement during the term of the agreement, the price shall be adjusted with reference to the governmental price.

Annual Cap and Transaction Amount in 2024

During the reporting period, the aggregate amount of materials procured from CTC and/or its associates by the Company has not exceeded the cap:

	Annual cap for 2024 (RMB in million)	Transaction amount in 2024 (RMB in million)
The aggregate amount of materials procured from CTC and/or its associates by the Company	330	302

G. Transmission Resource and Cloud Resource Leasing Services Provided by CUC Group

CUC Framework Agreement

In light of the increasing transaction amount and business scale of the transmission resource and cloud resource leasing services provided by the CUC Group to the Group, based on the internal review of the continuing connected transactions of the Company in 2024, on 7 August 2024, the Company entered into the CUC Framework Agreement with CUC, pursuant to which, the Group will lease transmission resource and cloud resource from the CUC Group, including but not limited to leasing of telecommunications electricity cables, telecommunications equipment, cloud private line and cloud equipment etc. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the annual caps of the transactions contemplated under the CUC Framework Agreement exceeds 0.1% but is less than 5%, the transactions thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules. For details of the CUC Framework Agreement, please refer to the Company's announcement dated 7 August 2024.

Contract Period

The CUC Framework Agreement took effect on 7 August 2024 and will expire on 31 December 2026.

Pricing Policy

The transaction terms (such as service fees, payment schedule, payment method and miscellaneous expenses) shall be determined in accordance with relevant market price. Where there is no market price, the parties shall refer to the historical prices related to the service and collect information on market prices of such relevant service in the industry through channels such as other providers of similar leasing service. The parties shall determine the price based on average profit margin in the market or a financial cost margin, to ensure that such prices offered are fair and reasonable. Average profit margin in the market and financial cost margin are analysed based on pricing information for similar service in the industry, through sources such as other providers. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, finance costs and payable taxes and fees, etc. The Company shall consider at least two comparable transactions entered into with Independent Third Parties holding the same qualifications and conditions as those of the CUC Group during the same period where practical.

Annual Cap and Transaction Amount in 2024

During the reporting period, the aggregate amount of transmission resource and cloud resource leasing service provided by the CUC Group has not exceeded the cap:

	Annual cap for 2024 (RMB in million)	Transaction amount in 2024 (RMB in million)
The aggregate amount of transmission resource and cloud resource leasing service provided by the CUC Group	120	75

H. Transmission Resource and Cloud Resource Leasing Services Provided by CTC Group

CTC Framework Agreement

In light of the increasing transaction amount and business scale of the transmission resource and cloud resource leasing services provided by the CTC Group to the Group, based on the internal review of the continuing connected transactions of the Company in 2024, on 7 August 2024, the Company entered into the CTC Framework Agreement with CTC, pursuant to which, the Group will lease transmission resource and cloud resource from the CTC Group, including but not limited to leasing of telecommunications electricity cables, telecommunications equipment, cloud private line and cloud equipment etc. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the annual caps of the transactions contemplated under the CTC Framework Agreement exceeds 0.1% but is less than 5%, the transactions thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules. For details of the CTC Framework Agreement, please refer to the announcement of the Company dated 7 August 2024.

Contract Period

The CTC Framework Agreement took effect on7 August 2024 and will expire on 31 December 2026.

Pricing Policy

The transaction terms (such as service fees, payment schedule, payment method and miscellaneous expenses) shall be determined in accordance with relevant market price. Where there is no market price, the parties shall refer to the historical prices related to the service, or collect information on market prices of such services in the industry through channels such as bids from other providers of similar services. The Company shall at least consider two comparable transactions entered into with Independent Third Parties holding the same qualifications and conditions as those of the CTC Group during the same period where practical. When neither historical prices nor comparable market transaction prices are available, the parties shall determine the price based on average profit margin in the market or a financial cost margin, to ensure that such prices offered are fair and reasonable. Such costs include costs of raw materials, accessories, depreciation, labor, energy, management cost, finance costs and payable taxes and fees, etc.

Annual Cap and Transaction Amount in 2024

During the reporting period, the aggregate amount of transmission resource and cloud resource leasing service provided by the CTC Group has not exceeded the cap:

	Annual cap for 2024 (RMB in million)	Transaction amount in 2024 (RMB in million)
The aggregate amount of transmission resource and cloud resource leasing service provided by the CTC Group	150	84

Further details of the above continuing connected transactions are set out in the note 30 to the audited consolidated financial statements.

The aforesaid continuing connected transactions had been reviewed by the independent non-executive Directors. The independent non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or better or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised)"Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor has issued the letter containing his findings and conclusions in respect of the continuing connected transactions of the Company disclosed in this annual report in accordance with Rule 14A.56 of the Listing Rules.

The independent auditors' letter has confirmed that nothing has come to their attention that cause them to believe that the aforesaid continuing connected transactions:

(1) have not been approved by the Board;

(2) as for the transactions involving the provision of goods or services by the Group, were not, in all material respects, in accordance with the pricing policies of the Group;

(3) were not entered into, in all material respects, in accordance with the relevant agreements governing the continuing connected transactions; and

(4) with respect to the aggregate amount of each of the aforesaid continuing connected transactions have exceeded their respective annual caps for the year ended 31 December 2024 set by the Company.

Save as disclosed above, none of other related-party transactions set out in the note 30 to the audited consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under the Listing Rules. Save as disclosed in this report, the Company has no connected transactions which are required to be disclosed under Chapter 14A of the Listing Rules for the year ended 31 December 2024. The Company confirms that it has complied with the requirements of Chapter 14A of the Listing Rules in relation to all connected transactions and continuing connected transactions to which the Company was a party during 2024.

Corporate Social Responsibility

The Company has proactively fulfilled its social responsibilities and has taken practical and concrete actions that contribute positively to the society. The Group has adhered to its core principle in resource sharing for the benefit of all through driving the co-development of social and industrial assets, optimizing investments and reducing wastage, to achieve a higher efficiency in resource utilization across society. The Group is able to fulfill its obligations to support emergency communications and actively served as the leading force in communications support at various major events and emergency communications support during natural disasters. By leveraging our resource advantages, we have upgraded "telecommunication towers" to "digital towers" to support the ecological monitoring of mountains, waters, forests, farmlands, lakes, grasslands, and deserts, which provides support for comprehensive management of the ecological environment and biodiversity protection. The Group is a keen advocate of energy saving and emissions reduction, and of exploring the practical uses for new sources of energy. It has also launched innovative services in areas such as environmental and pollution monitoring and have adopted eco-friendly and low carbon development practices. The Group strives to improve customer service and has built a comprehensive customer service process, diverse customer service channels and effective assessment mechanism for customer service. To create a corporate culture to emphasize integrity, the Group has built the three supervision systems, namely business supervision, audit supervision and discipline supervision, which provide a strong safeguard for the healthy development of the Group. Meanwhile, the Group improved mechanism of supplier inspection, access, supervision and evaluation and established a transparent procurement system. Protecting the basic interests of our employees is our priority. The Group has a solid training and development system, and strives to optimize an innovative incentive mechanism for its employees. In addition, the Group has undertaken multiple targeted projects to support rural revitalization and enhance information supply by continuously boosting efforts in building communications infrastructure in remote areas, in order to narrow the digital divide.

The Group strictly complies with relevant laws and regulations, such as the *Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Energy Conservation, the Work Safety Law of the People's Republic of China, the Measures for Supervision and Administration over Job-related consumption by Persons in Charge at State-owned Enterprises, the Anti-Unfair Competition Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Advertising Law of the People's Republic of China and the Labor Law of the People's Republic of China.* The Group has been consistently improving its governance structure and putting in place sound mechanisms and procedures to strengthen internal control and risk management system. The Group has put particular focus on the monitoring and management of key items and areas to mitigate operational risks. We have continued to enhance our governance and management to promote the Group's long-term, sustainable and healthy development.

For more details of the Group's environmental, social and governance performance, please refer to the "Corporate Governance Report" of this annual report and the "2024 Environmental, Social and Governance Report of China Tower" to be published separately.

Business Review

Relating to the details of the material developments of the Group in 2024, a fair review of the business and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the "Chairman's Statement" on pages 8 to 15 and "Management Discussion and Analysis" on pages 18 to 31 of this annual report. Description of the principal risks and uncertainties faced by the Group can be found throughout this annual report. Particulars of important events affecting the Group that have occurred after 31 December 2024 can also be found in the notes to the Consolidated Financial Statements. The outlook of the Group's business is discussed throughout this annual report including in the "Chairman's Statement".

Description of the Group's key relationships with its employees, customers, suppliers and others that have a significant impact on the Group and on which the Group's success depends, the environmental policies of the Group, as well as compliance with relevant laws and regulations which have a significant impact on the Group can be found throughout this annual report. In addition, more details regarding the Group's performance including the financial key performance indicators, etc. are provided in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Each of the above-mentioned relevant contents form an integral part of this Report of the Directors.

Compliance with the Corporate Governance Code

Details of the Company's compliance with the Corporate Governance Code are set out in the "Corporate Governance Report" on pages 86 to 107 of this annual report.

Event after the Reporting Period

Share Consolidation and Capital Reduction and Change in Board Lot Size

As all conditions of the Share Consolidation and Capital Reduction had been fulfilled, the Share Consolidation and Capital Reduction became effective on 20 February 2025, and the dealings in the Consolidated and Reduced H Shares on the Hong Kong Stock Exchange has commenced at 9:00 a.m. on 20 February 2025. The board lot size of the H Shares for trading on the Hong Kong Stock Exchange was also changed from 2,000 H Shares to 500 H Shares.

Details of the Share Consolidation and Capital Reduction are set out in "Share Consolidation and Capital Reduction" on pages 53 to 54 of this annual report.

Material Legal Proceedings

For the year ended 31 December 2024, the Company was not involved in any material litigation or arbitration, and as far as the Company is aware, no material litigation or claims were pending or threatened or made against the Company.

Auditors

KPMG and KPMG Huazhen LLP were appointed as the international and domestic auditors of the Company, respectively, for the year ended 31 December 2024. KPMG has audited the attached consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards. The relevant re-appointment of KPMG and KPMG Huazhen LLP as the Company's international and domestic auditors, respectively, for the year ending 31 December 2025 will be proposed to the 2024 AGM.

By Order of the Board
Chairman
Zhang Zhiyong

Beijing, China
17 March 2025

Report of the Supervisory Committee

In 2024, all members of the Supervisory Committee of the Company, in strict compliance with the relevant laws and regulations including the Company Law, and the Articles of Association and the Rules of Procedure for the Supervisory Committee, have been honest and trustworthy, and devoted and responsible in discharging their duties. Upholding the principle of safeguarding the interests of the Company and the Shareholders, they have verified the decision-making procedure and compliance of each significant matter of the Company, reviewed the financial position and the preparation of the financial reports of the Company, and supervised the performance of duties and responsibilities of the Directors, managers and other senior management by being present at and attending the Board meetings and the general meetings of the Company, giving full play to the functions of the Supervisory Committee and playing a proactive role in safeguarding the rights and interests of the Shareholders and promoting the standardized operation of the Company in accordance with the laws.

I. Resolutions of the Supervisory Committee

During the reporting period, the Supervisory Committee conscientiously discharged its duties and prudently exercised the functions conferred by the Articles of Association and the general meetings. In light of the actual situation of the Company, it convened four meetings in total, reviewed and approved eight resolutions including annual results announcement, interim results announcement and quarterly results announcement, the final financial accounts, the proposal on profits distribution, and change of Shareholder representative Supervisors. All Supervisors attended such meetings in person without being absent. All Supervisors raised no objection against the resolutions submitted to the Supervisory Committee for review and approval. The convening and voting procedures of the Supervisory Committee meetings were in compliance with the requirements of the Company Law and the Articles of Association.

II. Work of the Supervisory Committee

(I) Composition of the Supervisory Committee

The Company establishes the Supervisory Committee, comprising six Supervisors (including two employee representative Supervisors). The Supervisory Committee includes one chairman of the Supervisory Committee. The terms of the third session of the Supervisory Committee commenced on 18 January 2022, and expired on 14 January 2025. As the nomination procedures for Supervisors have not been completed, the Company has published an announcement regarding the postponed election of the new session of the Supervisory Committee on 10 January 2025. All the members of the third session of the Supervisory Committee of the Company will continue to fulfill their respective obligations and responsibilities in accordance with the relevant laws and regulations and the Articles of Association until the completion of the election of the new session of the Supervisory Committee.

(II) Performance of duties by the Supervisors

During the reporting period, the Supervisory Committee earnestly performed the supervisory duties in accordance with the Company Law and the Articles of Association. All members of the Supervisory Committee attended all meetings of the Supervisory Committee, considered all resolutions, attended the general meetings and accepted the enquiries from the Shareholders and the Shareholders' representatives. Some members of the Supervisory Committee attended the Board meetings and examined the matters to be resolved by the Board, conducted verifications on the significant matters of the Company, and supervised the operation and management, financial position and performance of duties by the Directors and senior management and other matters, so as to promote the standardized operation of the Company and safeguard the rights and interests of the Company and all Shareholders.

III. Independent Opinions on Relevant Matters of the Company during the Reporting Period

(I) Opinions of the Supervisory Committee on legal compliance of the Company's operation

During the reporting period, the Supervisors of the Company attended the Board meetings and the general meetings held by the Company, and supervised the procedures for convening the Board meetings and the general meetings, the resolutions thereof, the decision-making procedures, the execution of the resolutions of the general meetings by the Board, the performance of duties by the Directors and senior management of the Company and the internal control system of the Company, etc. in accordance with the relevant laws and regulations.

The Supervisory Committee is of the view that the Board is able to operate in a standardized manner in accordance with the laws and regulations such as the Company Law and the Articles of Association and the requirements of the Company's internal control system, make reasonable decisions, faithfully perform duties and earnestly execute various resolutions of the general meetings. No violation against the laws, regulations or the Articles of Association or prejudice against the interests of the Company and its Shareholders is committed by the Directors and senior management of the Company when performing their duties.

(II) Opinions of the Supervisory Committee on the financial performance of the Company

During the reporting period, the Supervisory Committee supervised, inspected and reviewed the financial position and financial management of the Company in an earnest, meticulous and effective manner. The Supervisory Committee is of the view that the financial report of the Company gives a true view of the Company's financial position and operating results, and the audit opinions on the Company's 2024 financial report issued by the independent auditor are objective, fair, true and reasonable, which is conducive to the Shareholders' correct understanding of the financial position and operating conditions of the Company. The 2024 annual report prepared by the Board reflects the circumstances pertaining to the Company in a truthful, legal and complete manner without any false and misleading statement or material omission.

IV. Work Plan for 2025

In 2025, the Supervisory Committee will continue to earnestly perform its duties with an attitude of being responsible for all the Shareholders in accordance with the requirements of the relevant regulations, place an emphasis on self-learning, enhance business level and professional quality, strengthen supervision and inspection, prevent operational risks, attend Board meetings, general meetings and relevant work meetings according to the laws, promptly keep informed of compliance and reasonableness of significant decision matters and various decision-making procedures of the Company, effectively safeguard the legitimate rights and interests of the Company and all Shareholders, promote the effective operation of the internal control system, guard against operational risks, improve and enhance the corporate governance level, to ensure the sustainable development of the Company.

By Order of the Supervisory Committee
Chairman of the Supervisory Committee
Fan Xiaoqing

Beijing, China
17 March 2025

Corporate Governance Report

The Company is committed to maintaining high standards of corporate governance, adhering to the concepts of good, robust and effective corporate governance, continuously enhancing the standard of governance, regulating corporate operations, improving internal control system, and implementing sound measures on governance and disclosure, so as to ensure that business operations are in line with the long-term interests of the Company and Shareholders, and that the interests of Shareholders are effectively safeguarded. The Company's general meeting, the Board and the Supervisory Committee have maintained effective operation in accordance with operational standards, and the Company has continuously optimized its internal control and comprehensive risk management to effectively ensure its stable operation.

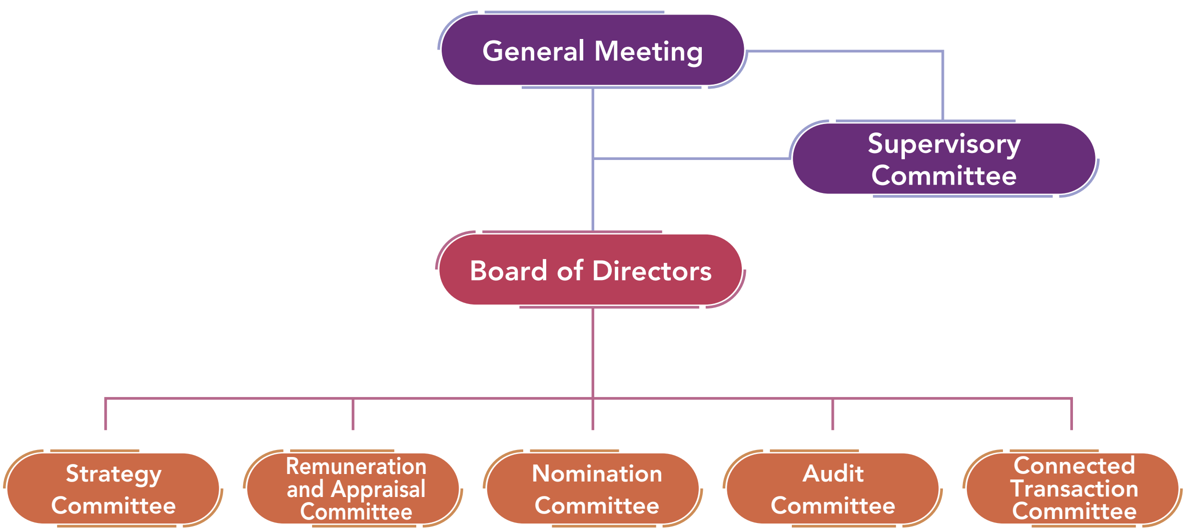
Corporate Governance Practices

On 8 August 2018, the Company completed global offering of new H Shares on the Main Board of the Hong Kong Stock Exchange, and since then it has continued to improve its basic corporate governance system. As a company incorporated in the PRC and listed on the Hong Kong Stock Exchange, the Company has complied with the relevant requirements of the Listing Rules and has abided by the Company Law and other applicable laws, regulations and regulatory requirements of Hong Kong and the PRC as fundamental guidelines for the Company's corporate governance. With strict compliance with relevant laws and regulations, the Group has continuously deepened the development of the internal control and risk management systems to improve the Company's governance standard and transparency.

For the year ended 31 December 2024, the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (where applicable), except for the deviation from Code Provision C.2.1 of the Corporate Governance Code.

Corporate Governance Structure

The overall governance structure of the Company is as follows: under the general meeting are the Board and the Supervisory Committee. The Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Audit Committee and the Connected Transaction Committee were set up under the Board. The Board, as the decision-making body of the Company, is responsible for and has general authority for corporate management and operations. The Supervisory Committee is mainly responsible for supervision of the performance of duties of the Board and senior management, and the Board and the Supervisory Committee are accountable to the general meeting independently.



General Meeting

The general meeting of the Company comprises of all Shareholders of the Company, which represents the interests of the Shareholders of the Company. The general meeting of the Company is the organ of authority of the Company and shall exercise its powers in accordance with the laws, administrative regulations and the Articles of Association. The general meetings shall include annual general meetings and extraordinary general meetings. The annual general meeting is convened once a year and shall be held within 6 months after the end of the accounting year. In accordance with the Articles of Association, notice of the general meeting shall be given to all Shareholders no later than 20 days (annual general meeting) or 15 days (extraordinary general meetings) before the date of the meeting, and where the laws and regulations (including the Listing Rules) contain any other stricter provisions in respect of the aforementioned matters, such provisions shall prevail. In accordance with the Articles of Association and as required by the Listing Rules, resolutions submitted to the general meeting of the Company shall be voted by poll, and the results of voting will be published on the Company's website and the Hong Kong Stock Exchange's website.

In 2024, the Company convened three general meetings, including the 2023 AGM, the 2024 First EGM and the 2024 Second EGM.

At the 2023 AGM held on 20 May 2024, resolutions including but not limited to the Company's consolidated financial statements for 2023, profit distribution and annual dividend declaration proposal, re-appointment of auditors, appointments of executive Director and Supervisor, and general mandate to the Board to allot, issue and deal with additional shares in the Company not exceeding 20% of each of the existing Domestic Shares and H Shares in issue were reviewed and approved.

At the 2024 First EGM held on 13 September 2024, resolutions on the profit distribution and interim dividend declaration proposal and appointment of independent non-executive Director were reviewed and approved.

At the 2024 Second EGM held on 23 December 2024, resolutions on the Share Consolidation and Capital Reduction and the Remuneration Plan for the Executive Directors for the year 2023 were reviewed and approved.

The above resolutions at the general meetings were approved and passed by Shareholders, and details of the relevant poll results were published on the Company's website and the Hong Kong Stock Exchange's website.

The 2024 AGM will be held in May 2025. The annual general meeting provides Shareholders with an opportunity to communicate directly with the Directors and Shareholders are encouraged to attend the meeting. Members of the Board and the chairman of each of the Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Audit Committee and the Connected Transaction Committee (or any member authorized by the Committees), the chairman of the Independent Board Committee (if any) and members of the senior management usually attend the annual general meeting of the Company to answer enquiries in relation to the business of the Group.

Communications with Shareholders

The Board has established a Shareholder communication policy that regulates various regular and irregular channels for the Company's daily communication with Shareholders (including general meetings, roadshows and daily meetings), enabling Shareholders and investors to keep abreast of the Company's latest operating conditions and growth prospects, while allowing various opinions from the market to be conveyed effectively and timely to the Company. Details of communications with Shareholders are set out in the section headed "Investor Relations" of this report and posted on the Company's website.

The Company adheres to the basic principles of fair disclosure of information to and open communication with Shareholders. The Board has established a Shareholder communication policy to communicate information to Shareholders and investors through various channels to ensure continuous communication with Shareholders. Corporate communications to the Shareholders are also available on the Company's website and the Hong Kong Stock Exchange's website for Shareholders' reference. Please also refer to the section headed "Shareholder Information" in this annual report.

Accordingly, the Board has reviewed and considers that the Shareholders' communication policy has been properly implemented and effective during the year.

Shareholders' Right to Convene General Meeting and Make Recommendations

Pursuant to Article 59 of the Articles of Association, Shareholders who request an extraordinary general meeting or a general meeting of a class of Shareholders shall comply with the following procedures:

(i) two or more Shareholders who together hold 10% or more of the shares carrying the right to vote in the meeting contemplated to be held can request the board of Directors to convene an extraordinary general meeting or a class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions and resolutions proposed. The Board shall convene the extraordinary general meeting or the class meeting as specified in the request as soon as possible. The shareholdings referred to above shall be calculated as at the date of request made.

(ii) if no notice of convening a general meeting was issued within 30 days after the Board receiving the above-mentioned written request(s), the Shareholders making the request(s) can convene a meeting by themselves within 4 months after the Board receiving the above-mentioned written request(s), and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the Board as much as possible.

Procedures for Shareholders to Make Proposal in General Meeting

Pursuant to Article 61 of the Articles of Association, as a general meeting is convened, the Board, the Supervisory Committee, and any Shareholders individually or jointly holding 3% or more of the Company's shares with voting rights in aggregate may propose any written resolution to the Company. Such Shareholders may submit an interim proposal in writing to the convener at least 15 business days prior to the date of general meeting. The convener shall then send a supplemental notice to the Shareholders to announce the interim proposal, within 3 business days upon receipt of such proposal.

Nomination of Directors

Pursuant to Article 96 of the Articles of Association, the Company shall set aside a period of time before convening the meeting in respect of candidates nominated by Shareholders taking up the role of directors. Within this period, Shareholders may issue a written notice to the Company in respect of nominating a candidate to be a director, and such candidate may issue the written notice regarding the indication of his/her intention to accept the nomination to the Company. The aforementioned period shall be at least 7 days and shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Shareholders' Enquiry

Shareholders of the Company who wish to make an enquiry to the Board or request to convene a general meeting or make any recommendation pursuant to the Articles of Association may contact the investor relations officers of the Company via Shareholders' hotline at ((852) 2811 4566) or by email at ir@chinatowercom.cn.

Board of Directors

The Board is the decision-making body for business operation of the Company, responsible for formulating strategies, making decisions and preventing risks. The Board is accountable to the general meeting and shall perform the following main duties: to implement resolutions adopted at the general meetings, to make decisions on the Company's business plans and investment proposals, to determine the establishment of internal management departments and the establishment of branches and to appoint senior management personnel, etc.

The Board has granted powers and duties to the management to perform the management of daily production and operation, to organize and implement the resolutions of the Board and the annual operation plan and investment proposal, to propose the establishment proposal of the internal management departments, to formulate the basic management system of the Company and to formulate the basic rules of the Company. The Articles of Association clearly stipulates the above-mentioned scope of duties of the Board and management respectively. In order to maintain the Company's effective operation and flexibility and efficiency in decision making, the Board also delegates its management and administrative management powers to the management when necessary, and provides clear guidance on its authorization to avoid impeding or weakening the power of the Board as a whole to discharge their duties.

Composition of the Board

As at 31 December 2024, the third session of the Board of the Company comprised nine Directors including:

Executive Directors

- Zhang Zhiyong (Chairman)
- Chen Li (General Manager)

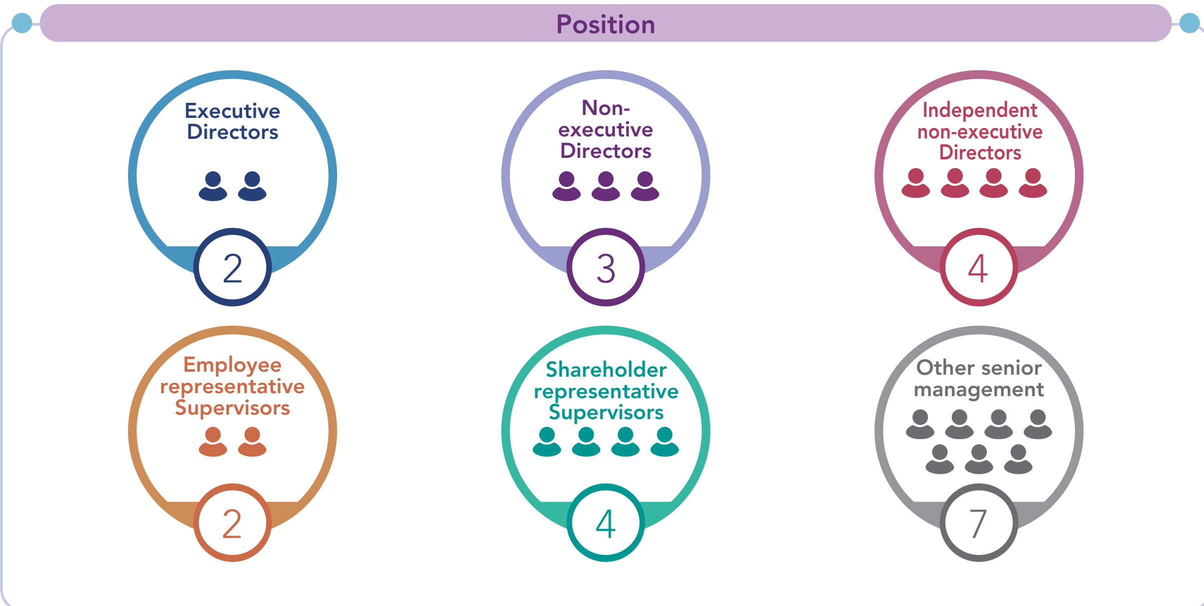
Non-executive Directors

- Tang Yongbo
- Liu Guiqing
- Fang Xiaobing

Independent non-executive Directors

- Dong Chunbo
- Hu Zhanghong
- Sin Hendrick
- Zhang Wei

The Directors are typically appointed for a term of three years and eligible for re-election upon expiry of their term of office. The third session of the Board has a term of three years beginning in January 2022.

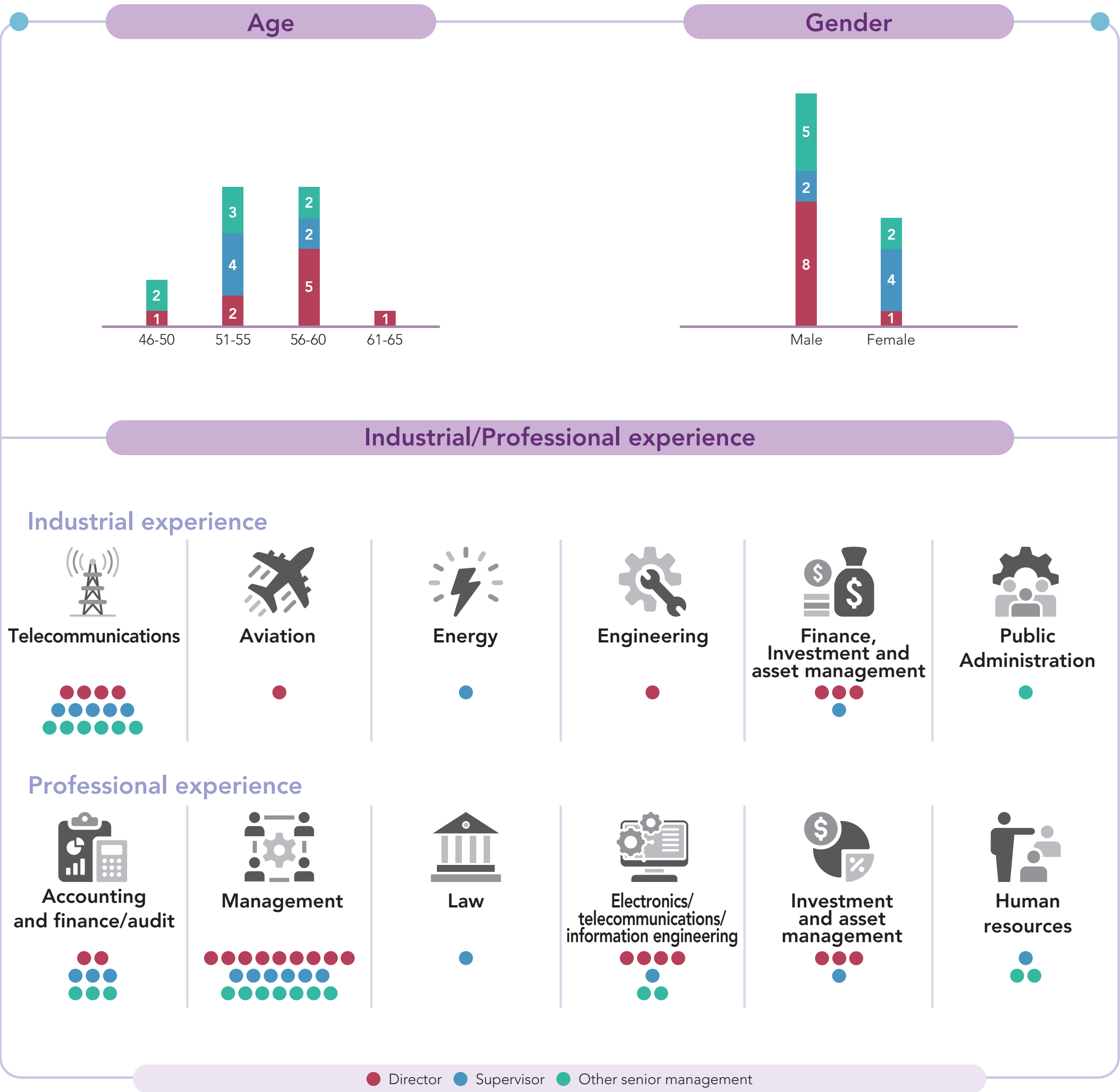


Postponed Election of New Session of the Board and Supervisory Committee

The original terms of the third session of the Board and the Supervisory Committee expired on 14 January 2025. As the nomination process of candidates for Directors and Supervisors of the new session of the Board and the Supervisory Committee has not been completed, in order to ensure the continuity of the work of the Board and the Supervisory Committee, the election of the new session of the Board and the Supervisory Committee has been postponed. Meanwhile, the terms of the committees of the third session of the Board have been extended accordingly. All the members of the third session of the Board and the Supervisory Committee will continue to fulfill their respective obligations and responsibilities in accordance with the relevant laws and regulations and the Articles of Association until the completion of the election of the new session of the Board and the Supervisory Committee. The postponed election of the new session of the Board and the Supervisory Committee does not affect the normal operation of the Company. For details, please refer to the announcement of the Company dated 10 January 2025.

Board Diversity Policy

In achieving sustainable and balanced development, the Company recognizes the importance of board diversity to its strategic goals and sustainability. The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Pursuant to the board diversity policy, the Board considers factors regarding board diversity in various ways, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The Company will also consider its business model and specific needs from time to time, as well as a balanced composition of executive and non-executive directors. The Nomination Committee of the Board is mainly responsible for identifying qualified individuals for Directors and shall take into full consideration the board diversity policy in the selection process. The appointment of Board members is based on the strengths of each candidate and objective criteria, with due regard to the benefits of board diversity.



In accordance with the Articles of Association and the terms of reference of the Nomination Committee, when nominating and appointing new directors, the Nomination Committee will look for suitable candidates widely and make recommendations to the Board after considering the Company's needs for new directors. The Nomination Committee considers the strengths of candidates based on objective criteria and takes full consideration of the benefits of diversity of board members. A board meeting (including independent non-executive Directors and non-executive Directors) will be held to consider the relevant nominations after obtaining the nominee's consent to the nomination.

The Board reviews the implementation and effectiveness of the board diversity policy annually. As at 31 December 2024, the Board comprised eight males and one female and the other senior management of the Group comprised five males and two females, and has generally achieved its target for gender diversity for the reporting period. The Board is of the view that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board. The Company aims to maintain at least the current level of female representation and will continue to work towards enhancing the gender diversity of the Board and the senior management of the Group.

Currently, among approximately 24,000 employees of the Group, the male to female ratio in the workforce of the Group is 2.59:1, which is in line with the industry-specific characteristics. The Company has also taken, and continues to take steps to promote gender diversity at all levels of its workforce. Opportunities for recruitment, promotion, training and career development are equally opened to all eligible employees without discrimination.

Every newly appointed Director shall receive comprehensive, formal and tailored induction guidelines on the first occasion of his/her appointment, after which he/she shall be provided with necessary briefings and opportunities for professional development, so as to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities under statutes, the Listing Rules, applicable laws and regulatory requirements, and the business and governance policies of the Company. In addition, the Company will prepare a formal letter of appointment containing the principal terms and conditions for appointment of Director.

The Board of the Company comprises renowned experts in the areas of telecommunications industry, energy industry, engineering, finance and accounting, management, finance, investment asset management and aviation, etc. The Nomination Committee under the Board reviews the Board structure at least once a year. As at 31 December 2024, there were four independent non-executive Directors in the Board, among which one of them was qualified as an accountant or has accounting or related financial management expertise and satisfies the requirements under Rules 3.10 and 3.10A of the Listing Rules. The biographical details of the Directors are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" in this annual report.

During the year, the Board, through its Nomination Committee, had reviewed and considered that the Company had in place mechanisms which remain effective in ensuring that independent views and input are available to the Board by taking into account the following channels or mechanisms:

- The independent non-executive Directors being able to devote adequate time contribution to the Company;

- Independent non-executive Directors will be appointed to Board Committees as required under the Listing Rules and as far as practicable to ensure independent views are available;

- The Company has policy and procedures in place to avoid any potential conflict of interests and not to weaken the objectivity and integrity of the Board for decision-making. A Director (including independent non-executive Director) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same;

- Site visits are arranged for independent non-executive Directors from time to time to enhance their understanding of the Company's projects;

- Annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing an effective platform for the Chairman to listen independent views on various issues concerning the Company;

- The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive Director before appointment and the continued independence of the current independent non-executive Directors on an annual basis;

- No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors;

- External independent professional advice is available to all Directors, including independent non-executive Directors, upon reasonable request to assist them to perform their duties to the Company; and

- All Directors are encouraged to express freely their independent views during the Board/Board Committees meetings.

To the best knowledge of the Directors, as at the date of this report, there is no financial, business, family or other material connection between the members of the Board, and all of them are free to make independent judgments.

The Company has received annual confirmations of independence from each of the independent non-executive Directors for the year ended 31 December 2024, pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

The Company determines the remunerations of each of the Directors with reference to their duties, responsibilities, experiences and prevailing market conditions.

For the year ended 31 December 2024, the Company has conscientiously regulated the workflows of the Board and each of its special committees in accordance with the Corporate Governance Code under the Listing Rules, and has ensured the standardization of the process of Board meetings in terms of structure, system and personnel. The Board supervises preparation of accounts for each accounting period in a responsible and conscientious manner, so that the accounts can truly and fairly reflect the financial status, operating results and cash flow of the Company during such period. In preparing the accounts as at 31 December 2024, the Directors have chosen to apply appropriate accounting policies, make prudent, fair and reasonable judgments and estimates, and prepare accounts on a going concern basis.

All Directors devoted sufficient time and efforts to the business of the Company. The Company also requires the Directors to disclose the number of positions they hold in public companies or organizations and provide the Company with the time they devoted to the relevant positions.

The Company has also arranged appropriate insurance cover in respect of possible legal actions against its Directors, Supervisors and senior management.

On 13 March 2024, Mr. Zhang Guohou ("**Mr. Zhang**") resigned from his positions as an independent non-executive Director, the chairman of the Audit Committee, a member of each of the Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Connected Transaction Committee, by reason of age. Following the resignation of Mr. Zhang, the composition of the Nomination Committee failed to comply with Rule 3.27A of the Listing Rules, which requires the majority of members of the nomination committee to be independent non-executive directors. In addition, the Audit Committee did not have a chairman, which failed to comply with the relevant requirements under Rule 3.21 of the Listing Rules that requires the audit committee must be chaired by an independent non-executive director.

On 20 May 2024, the appointment of Mr. Chen Li as an executive Director was approved at the 2023 AGM. Following such appointment, the Board comprised 10 members, of which three were executive Directors, four were non-executive Directors and three were independent non-executive Directors. As a result, the number of the independent non-executive Directors fell below the requirement that the number of the independent non-executive directors shall be no less than one-third of the Board under Rule 3.10A of the Listing Rules.

On 23 August 2024, the Board announced that it had proposed to appoint Ms. Zhang Wei as an independent non-executive Director and her appointment would be subject to the approval from the Shareholders at the 2024 First EGM. As additional time was required for the Company to complete the relevant internal selection and nomination procedures to effect the appointment and to convene the 2024 First EGM with a sufficient notice period to obtain Shareholders' approval. The Company had therefore applied for, and the Hong Kong Stock Exchange has granted to the Company, a waiver from strict compliance with Rule 3.10A and Rule 3.11 of the Listing Rules and an extension of time up to 30 September 2024 to fill the vacancy. On 13 September 2024, the appointment of Ms. Zhang Wei as an independent non-executive Director was approved at the 2024 First EGM. On the same day, Mr. Chen Li was appointed as a member of each of the Strategy Committee and the Connected Transaction Committee; Ms. Zhang Wei was appointed as the chairman of the Audit Committee, a member of each of the Remuneration and Appraisal Committee, the Nomination Committee and the Connected Transaction Committee.

After such adjustments, the Company has re-complied with the requirements of (i) appointing independent non-executive Directors who represent at least one-third of the Board under Rule 3.10A of the Listing Rules; (ii) the nomination committee comprising a majority of independent non-executive Directors under Rule 3.27A of the Listing Rules; and (iii) the audit committee must be chaired by an independent non-executive Director under Rule 3.21 of the Listing Rules.

Chairman of the Board and General Manager

Mr. Zhang Zhiyong is the chairman of the Board, mainly responsible for the operation of the Board and overseeing the implementation of board decisions. Mr. Chen Li is the general manager of the Company, mainly responsible for the Company's daily operation and management of business. On 6 December 2023, Mr. Gu Xiaomin ("**Mr. Gu**") resigned from his positions as an executive Director and the general manager of the Company, by reason of age. Following the resignation of Mr. Gu, there was a vacancy in the position of the Company's general manager and the Company failed to comply with the requirement of Code Provision C.2.1 of the Corporate Governance Code. On 23 April 2024, Mr. Chen Li was appointed as the general manager of the Company. Upon such appointment, the Company has re-complied with the above-mentioned requirement.

Board Meeting

Pursuant to the Articles of Association and the Listing Rules, the Board shall convene at least four meetings a year. At the beginning of each year, all Directors/committee members are notified of the timetable for the Board/committee meeting to be held during the year. In addition, notices will be given to all Directors at least 14 days prior to the date on which the Board meeting is held. The agenda and related documents of the Board meeting will be delivered to all Directors at least three days prior to the date of the meeting. The Board and each of the Directors may contact the senior management independently if necessary and obtain additional information from the Company so that the Directors can make informed decisions with relevant information.

The Company Secretary is responsible to ensure that Board meetings comply with the relevant procedures and rules and regulations. All Directors may make enquiries with the Company Secretary to ensure that they receive sufficient information on the matters included in the agenda.

All Board meeting minutes record the details of the matters considered and decisions made, and are kept properly and open for inspection by the Directors. A Director shall abstain from voting on any Board resolution approving any proposal in which he or she or any of his or her associates has a material interest, nor shall he or she have right to vote. In 2024, the Board held five meetings and passed five written resolutions. In 2024, in addition to the general matters such as review and approval of the annual and interim financial statements, quarterly financial results, annual dividend distribution, corporate governance report, Environmental, Social and Governance report and financial budget, the Board also considered the resolutions including appointments of executive Director and independent non-executive Director, appointments of deputy general manager, general counsel and chief compliance officer, interim dividend distribution, continuing connected transactions, change in the composition of Board committees, share consolidation and capital reduction and the remuneration plan for senior management of the Company for the year 2023, etc. For the resolutions for considering and approving the continuing connected transactions, the Director(s) with material interest in such transactions has/have abstained from voting.

In 2024, the chairman of the Board had held one private meeting with all of the independent non-executive Directors to ensure that their opinions could be fully expressed, which fostered the exchange of ideas among the Board.

The Board is responsible for developing and reviewing the Company's policies and practices on corporate governance; reviewing and monitoring the training and continuous professional development of Directors and senior management as well as the Company's policies and practices in compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct applicable to employees; and reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

In 2024, the attendance record of the then Directors in the Company's Board meetings, Board committee meetings and general meetings were as follows:

	Board	Strategy Committee	Remuneration and Appraisal Committee	Nomination Committee	Audit Committee	Connected Transaction Committee	General Meetings
Executive Directors:							
Zhang Zhiyong (Chairman)	5/5	1/1	–	1/1	–	–	3/3
Chen Li (General Manager)[1]	4/4	0/0	–	–	–	0/0	2/2
Gao Chunlei[2]	4/4	–	–	1/1	–	2/2	1/2
Non-executive Directors:							
Tang Yongbo[3]	5/5	1/1	4/4	–	–	–	1/3
Liu Guiqing[4]	5/5	1/1	–	–	4/4	–	0/3
Fang Xiaobing[5]	5/5	1/1	–	–	–	2/2	1/3
Gao Tongqing[6]	5/5	1/1	–	1/1	–	–	1/2
Independent non-executive Directors:							
Dong Chunbo	5/5	–	4/4	1/1	4/4	2/2	3/3
Hu Zhanghong[7]	5/5	–	4/4	1/1	4/4	2/2	2/3
Sin Hendrick	5/5	–	4/4	1/1	4/4	2/2	3/3
Zhang Wei[8]	2/2	–	2/2	0/0	2/2	0/0	1/1
Zhang Guohou[9]	0/0	0/0	0/0	0/0	0/0	0/0	0/0

Notes:

1. Mr. Chen Li was appointed as an executive Director on 20 May 2024, and a member of each of the Strategy Committee and the Connected Transaction Committee on 13 September 2024. Mr. Chen Li appointed in writing another Director to attend one meeting of the Board.

2. Mr. Gao Chunlei no longer served as an executive Director on 18 November 2024.

3. Mr. Tang Yongbo appointed in writing other Director(s)/member(s) to attend five meetings of the Board, one meeting of the Strategy Committee and four meetings of the Remuneration and Appraisal Committee.

4. Mr. Liu Guiqing appointed in writing other Director(s)/member(s) to attend five meetings of the Board, one meeting of the Strategy Committee and four meetings of the Audit Committee.

5. Mr. Fang Xiaobing appointed in writing another Director/member to attend one meeting of the Board and one meeting of the Connected Transaction Committee.

6. Mr. Gao Tongqing appointed in writing other Director(s)/member(s) to attend four meetings of the Board, one meeting of the Strategy Committee and one meeting of the Nomination Committee. Mr. Gao Tongqing no longer served as a non-executive Director on 23 December 2024.

7. Mr. Hu Zhanghong appointed in writing another Director/member to attend one meeting of the Board and one meeting of the Remuneration and Appraisal Committee.

8. Ms. Zhang Wei was appointed as an independent non-executive Director, the chairman of the Audit Committee, a member of each of the Remuneration and Appraisal Committee, the Nomination Committee and the Connected Transaction Committee on 13 September 2024.

9. Mr. Zhang Guohou no longer served as an independent non-executive Director on 13 March 2024.

10. Certain Directors (including non-executive Directors and independent non-executive Directors) could not attend some of the general meetings due to other important business commitments.

Director's Training

Newly appointed Directors will receive trainings provided by the Company upon their appointment, so as to ensure that they have adequate understanding of the Company's business and they are fully aware of their duties as Directors under the laws, regulations and the Articles of Association. The Company also engaged external lawyers to provide trainings on topics including directors' duties and the Listing Rules to Mr. Chen Li and Ms. Zhang Wei, the Directors appointed during the reporting period. Mr. Chen Li who was elected as a Director on 20 May 2024, has obtained the legal advice referred to Rule 3.09D of the Listing Rules on 16 May 2024; and Ms. Zhang Wei who was elected as a Director on 13 September 2024, has obtained the legal advice referred to Rule 3.09D of the Listing Rules on 12 September 2024. Mr. Chen Li and Ms. Zhang Wei confirmed that they understood their obligations as Directors of the Company.

The Company distributes operation report to Directors each month, setting out updates on major business and financial position of the Company to facilitate the Directors to discharge their duties. In addition, the Company also issues latest information regarding corporate governance and directors' responsibilities under the Listing Rules and other applicable laws and regulations to the Directors, ensuring their awareness of their responsibilities under the laws and regulations. All the Directors are also encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contributions to the Board remain informed and relevant.

Training records for 2024 of the then Directors were summarized in the table below:

	Attended training(s) and/or seminar(s)/ on-site research relevant to the Company's industry and business, director's duties and/or corporate governance	Gave a speech at the meeting relevant to the Company's industry and business, director's duties and/or corporate governance	Read information relevant to the Company's industry and business, director's duties and/or corporate governance; and/or read regular updates issued by the Company
Executive Directors:			
Zhang Zhiyong (Chairman)	✓	✓	✓
Chen Li (General Manager) [1]	✓	✓	✓
Gao Chunlei[2]	✓	✓	✓
Non-executive Directors:			
Tang Yongbo	✓	✓	✓
Liu Guiqing	✓	✓	✓
Fang Xiaobing	✓	✓	✓
Gao Tongqing[3]	✓	✓	✓
Independent non-executive Directors:			
Dong Chunbo	✓	✓	✓
Hu Zhanghong	✓	✓	✓
Sin Hendrick	✓	✓	✓
Zhang Wei[4]	✓	✓	✓
Zhang Guohou[5]	✓	✓	✓

Notes:

1. Mr. Chen Li was appointed as an executive Director on 20 May 2024.
2. Mr. Gao Chunlei no longer served as an executive Director on 18 November 2024.
3. Mr. Gao Tongqing no longer served as a non-executive Director on 23 December 2024.
4. Ms. Zhang Wei was appointed as an independent non-executive Director on 13 September 2024.
5. Mr. Zhang Guohou no longer served as an independent non-executive Director on 13 March 2024.

Model Code for Securities Transactions by Directors and Supervisors

The Company has compiled its own Corporate Code by adopting the Model Code as the blueprint, with provisions no less exacting than that of the Model Code.

The Company has made specific enquiries to all Directors and Supervisors, and all Directors and Supervisors have confirmed that they have complied with the Corporate Code and the Model Code during the year ended 31 December 2024.

Board Committees

As an important part of a sound corporate governance practice, the Board has set up five special Board committees: the Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Audit Committee and the Connected Transaction Committee, and all of which were responsible for the supervision of the overall affairs of the Company in various areas and assistance of discharging its responsibilities. All the five Board committees have formulated their own terms of reference with clear power and responsibilities. The list of members of each committee was published on the websites of the Company and the Hong Kong Stock Exchange. In accordance with the requirements under the Listing Rules, the Company establishes independent board committee from time to time to advise and provide voting recommendations to Shareholders on specific transaction.

Strategy Committee

As at 31 December 2024, the Strategy Committee comprised five Directors, namely Mr. Zhang Zhiyong and Mr. Chen Li, being executive Directors, and Mr. Tang Yongbo, Mr. Liu Guiqing and Mr. Fang Xiaobing, all being non-executive Directors. Mr. Zhang Zhiyong currently serves as the chairman of the committee.

The main responsibilities of the Strategy Committee include:

(i) studying and making recommendations on the mid-to-long-term development strategy plan, operating objectives and development guidelines of the Company;

(ii) studying and making recommendations on the operating strategies of the Company, including but not limited to product strategy, marketing strategy, sales strategy, research and development strategy and talent strategy;

(iii) studying and making recommendations on material strategic investments and financing proposals of the Company; and

(iv) other matters authorized by the Board or required under the relevant laws and regulations.

In 2024, one meeting was held by the Strategy Committee of the Board, during which the rolling strategic plan for the Company was considered.

Remuneration and Appraisal Committee

As at 31 December 2024, the Remuneration and Appraisal Committee comprised five Directors, namely, Mr. Dong Chunbo, being an independent non-executive Director, Mr. Tang Yongbo, being a non-executive Director and Mr. Hu Zhanghong, Mr. Sin Hendrick and Ms. Zhang Wei, all being independent non-executive Directors. Mr. Dong Chunbo currently serves as the chairman of the committee.

The main responsibilities of the Remuneration and Appraisal Committee include:

(i) making recommendations to the Board on the formulation procedure of the remuneration policy;

(ii) formulating remuneration proposal, plan or structure, and making recommendations to the Board;

(iii) examining the performance of the Directors and senior management members of the Company and performing annual performance appraisals over them;

(iv) reviewing and supervising the implementation of the remuneration system of the Company and approving the remuneration recommendation of the management;

(v) determining the remuneration packages of all the executive Directors and senior management members;

(vi) making recommendations to the Board on the remuneration of the non-executive Directors (including independent non-executive Directors);

(vii) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules; and

(viii) other matters authorized by the Board or required under the relevant laws and regulations.

In 2024, four meetings were held and one written resolution was approved by the Remuneration and Appraisal Committee of the Board, during which report of remuneration of senior management of the Company for the year 2023, proposal for total payroll budget for the year 2024, and the remuneration plan for senior management of the Company for the year 2023 were considered.

Nomination Committee

As at 31 December 2024, the Nomination Committee comprised five Directors, namely, Mr. Zhang Zhiyong, being an executive Director, and Mr. Dong Chunbo, Mr. Hu Zhanghong, Mr. Sin Hendrick and Ms. Zhang Wei, all being independent non-executive Directors. Mr. Zhang Zhiyong currently serves as the chairman of the committee.

The main responsibilities of the Nomination Committee include:

(i) reviewing the scale, structure, size and composition of the Board (including skill, knowledge and experience);

(ii) studying the selection criteria and procedure of the Directors and senior management members, and making recommendations to the Board;

(iii) comprehensively identifying qualified candidates for the Directors and senior management members, and selecting and nominating the relevant person to become the Director or making recommendations to the Board;

(iv) examining other senior management members who shall be proposed to the Board for appointment, and making recommendations to the Board; and

(v) other matters authorized by the Board or required under the relevant laws and regulations.

In 2024, one meeting was held and three written resolutions were approved by the Nomination Committee of the Board, during which matters on reviewing the structure and composition of the Board, evaluation on the independence of independent non-executive Directors, appointments of executive Director and independent non-executive Director, appointments of deputy general manager, general counsel and chief compliance officer and change in the composition of Board committees were considered.

Audit Committee

As at 31 December 2024, the Audit Committee comprised five Directors, namely, Ms. Zhang Wei, being an independent non-executive Director, Mr. Liu Guiqing, being a non-executive Director, and Mr. Dong Chunbo, Mr. Hu Zhanghong and Mr. Sin Hendrick, all being independent non-executive Directors. Ms. Zhang Wei currently serves as the chairman of the committee.

The main responsibilities of the Audit Committee include:

(i) proposing engagement or replacement of the external audit firm;

(ii) reviewing the financial information of the Company;

(iii) monitoring the financial reporting system, risk management and internal control system of the Company; and

(iv) other matters authorized by the Board or required under the relevant laws and regulations.

In 2024, four meetings were held and one written resolution was approved by the Audit Committee of the Board, during which matters such as the audited financial report for 2023, the unaudited financial statements for the first quarter of 2024, the interim financial report for 2024, the unaudited financial statements for the first three quarters of 2024, report on the effectiveness of internal control and risk management for 2023, internal audit work plan for 2024, and re-appointment of external auditors were considered. In addition, the Audit Committee discussed and received the audit plan from external auditor.

Connected Transaction Committee

As at 31 December 2024, the Connected Transaction Committee comprised six Directors, namely, Mr. Hu Zhanghong, being an independent non-executive Director, Mr. Chen Li, being an executive Director, Mr. Fang Xiaobing, being a non-executive Director, and Mr. Dong Chunbo, Mr. Sin Hendrick and Ms. Zhang Wei, all being independent non-executive Directors. Mr. Hu Zhanghong currently serves as the chairman of the committee.

The main responsibilities of the Connected Transaction Committee include:

(i) collecting and administrating the information of the connected persons;

(ii) managing and reviewing the connected transactions, and controlling the risks associated with connected transactions;

(iii) organizing the annual review of the connected transactions;

(iv) reviewing the information and disclosures of connected persons and connected transactions;

(v) formulating the regulations and management regulations in relation to the connected transactions of the Company;

(vi) proposing to the Board for approval after deliberation of the connected transactions; and

(vii) other matters authorized by the Board or required under the relevant laws and regulations.

In 2024, two meetings were held by the Connected Transaction Committee of the Board, during which reports on the execution of connected transactions of the Company, and the entering into continuing connected transactions and respective annual caps thereof were considered.

Supervisory Committee

The Company established a Supervisory Committee pursuant to the Company Law. As at 31 December 2024, the third session of the Supervisory Committee consists of six Supervisors which included four Shareholder representative Supervisors (Ms. Cao Yingchun, Mr. Li Zhangting, Ms. Han Fang and Ms. Li Tienan) and two employee representative Supervisors (Ms. Fan Xiaoqing and Mr. Wang Hongwei). Ms. Fan Xiaoqing currently serves as the chairman of the Supervisory Committee.

The Supervisors are typically appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The third session of the Supervisory Committee is appointed for a term of three years commencing from January 2022 and expired on 14 January 2025. For details of the postponed election of new session of the Supervisory Committee, please refer to the announcement of the Company dated 10 January 2025.

The Supervisory Committee is a standing supervisory institution of the Company and is accountable and reports to the general meetings. The Supervisory Committee normally meets at least twice a year.

The primary duties of the Supervisory Committee are to supervise the performance of duties of the Directors and other senior management; to review the financial condition of the Company; to review the financial information, such as financial report, operation report and proposals of profit allocation, to be submitted to the general meetings, as well as other powers conferred by laws, administrative rules and the Articles of Association. Details of the work of the Supervisory Committee in 2024 is set out in the "Report of the Supervisory Committee" of this annual report.

Company Secretary

The Company Secretary is an employee of the Company who has appropriate understanding of the Company's business. The Company Secretary is responsible for supporting the daily operation of the Board and ensuring the compliance with the policies and procedures of the Board. All of the Directors can access to opinions and use the service of the Company Secretary to ensure that the procedures of the Board and the applicable laws, rules and regulations are being complied with. The Company Secretary met the requirement on professional training under the Rule 3.29 of the Listing Rules in 2024.

Amendments to the Articles of Association

In order to reflect the Company's new capital structure upon the Share Consolidation and Capital Reduction becoming effective, corresponding amendments to the Articles of Association came into effect on 20 February 2025. For more details, please refer to the Company's announcements dated 21 November 2024, 23 December 2024 and 20 February 2025 and the circular of the Company dated 6 December 2024.

Save as disclosed above, there was no change in the Articles of Association of the Company for the year ended 31 December 2024.

External Auditors

According to the relevant regulations issued by the Ministry of Finance of the PRC and the SASAC, there are certain limits in respect of the number of years of financial auditing work that an accounting firm can continuously provide to the Company, PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP retired as the international auditor and domestic auditor of the Company effective upon the conclusion of the 2022 AGM. Pursuant to the open selection process and as recommended by the Audit Committee, the Board resolved to propose to the Shareholders at the 2022 AGM to approve the appointment of KPMG and KPMG Huazhen LLP as the Company's international auditor and domestic auditor, respectively, for the year ended 31 December 2023, and such proposal was approved by the Shareholders at the 2022 AGM. Subsequently, at the 2023 AGM, the Shareholders approved the re-appointments of KPMG and KPMG Huazhen LLP as the international and domestic auditors of the Company, respectively, for the year ended 31 December 2024.

For the year ended 31 December 2024, the fees paid/payable to the external auditors for audit and audit related services is RMB8.2 million and for ESG report advisory services is RMB0.3 million, respectively.

The Audit Committee and the Board have agreed with the re-appointment of KPMG and KPMG Huazhen LLP as the international auditor and the domestic auditor of the Company, respectively, for the year ending 31 December 2025 and will propose such re-appointment for consideration at the 2024 AGM.

Directors' Responsibility for Financial Statements

The Directors are responsible for the preparation of financial statements. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, and therefore the Directors continue to adopt the going concern approach in preparing financial statements.

The responsibility statement of KPMG, our external auditor, regarding its "Independent Auditor's Report" on the financial statements of the Group is set out on pages 109 to 113 of this annual report.

Risk Factors

The following section lists out the principal risks and uncertainties faced by the Company. There may be other risks and uncertainties further to the key risk areas outlined below. Please also refer to the "Risk Factors" set out in the listing document of the Company as it is a non-exhaustive list.

The sustainable growth of the Company's business and our success depend on the growth of the telecommunications tower infrastructure industry in general and the overall demand for telecommunications tower infrastructure services. If the demand for telecommunications tower infrastructure services do not achieve the expected growth or even decrease, the Company's business and results of operations could be materially and adversely affected.

The Company's business relies on a limited number of customers, and substantially all of our operating revenue are generated from the Three TSPs. Despite our long-term relationship, the Company has limited influence over our customers' business operations and the demand of the customers may fall short of our estimation due to, among others, change of budget, change of business model or strategy, update/change of technology or wireless communications systems, or change in the general economic conditions and urbanization development.

The Company's ability to select, acquire and maintain suitable sites is crucial to our success. The Company typically selects new sites that can best address the customers' needs and meet their network coverage objectives. The Company cannot assure that it could be successful in identifying and consummating suitable site acquisitions, or maintaining, effectively operating and utilizing our sites or that we will be able to obtain, in a timely fashion, the ownership or the rights to use or lease the land or premises. Our ability to acquire, construct and maintain sites is subject to various factors.

The Company considers cost, market condition and other factors when pricing our services. The pricing for our macro cell business is generally based on a standard construction cost, which is estimated in accordance with past experience, market condition and the specific circumstances in a certain location and may vary from the actual costs. In addition, if there is any increase in the costs that cannot be passed on to the customers, or that the Company charges its customers on a lump sum basis, such as labor costs and some administrative expenses, the Company's profitability could suffer.

Technological changes or innovation related to telecommunications will materially affect our business, especially those affecting the demand for telecommunications tower infrastructure or resulting in the obsolescence, potential decommissioning or conversion of certain existing wireless communications networks. 5G wireless communications technology standards may render TSP customers the need for substantial amount of high-density small cells to deploy their 5G networks, which may cause us to incur excessive capital expenditures and materially affect our sites, revenue mix, operating profit margin and operating results of the Company.

Risk Management and Internal Control

In 2018, the Company conducted its initial public offering (IPO) and was listed on the Main Board of the Hong Kong Stock Exchange. Through a series of governance measures with strict standards, the Company has formed a governance structure that meets the listing regulatory requirements and relevant regulatory provisions.

The internal control system of the Company includes clear organizational structure and management responsibilities, an effective system of approval of delegation of authority and accountability, unequivocal objectives, policies and procedures, comprehensive risk assessment and management and continuous analysis of operation performance and audit supervision, which play an important role in safeguarding the overall operation of the Company. The Company insisted in continuing to improve the policies relevant to internal control in accordance with the changes in internal and external operation environment and needs of business development, while utilized our centralized IT information system to enhance the efficiency and effectiveness of the internal control. The timeliness, completeness and reliability of the data information are also ensured. We continue to improve each professional management system and promote the standardization and efficiency of the management process for continuing to improve the management level of the Company.

The Company regards comprehensive risk management as an important task in its daily operation and has taken into account the regulatory requirements as well. By considering the practice of risk management, the Company has conducted timely risk assessment which focused on in-depth analysis on the key risks and has actively carried out the risk response and risk management assessment. In order to prevent risks, enhance internal control, and promote compliance, the Company administered integrally the risk management, internal control and compliance supervision systems, and developed an interconnected organizational system with clear accountability and effective check and balance. Focusing on two core elements of system development and execution capability enhancement, the Company highlighted key risks that have significant impact, strengthened supervision and evaluation, and gave full play to the internal control system in order to secure the risk prevention and control as well as high-quality development of the Company. The major risks and their prevention and control measures are as follows:

Strategic risks: our existing telecommunications infrastructure business of towers and DAS relies on a limited number of customers, thus limiting our future revenue growth and scale expansion. The Company has been actively safeguarding against inherent operational risks. While continue to deepen industry sharing, we have exerted our advantage in resources to explore various diversified business development models and achieve the diversified development of our businesses.

Market risks: the selection of suitable sites and the construction of 5G network will bring about new needs for network, which are particularly important to the future development of the Company. The Company has fulfilled customers' needs for low-cost and diversified telecommunications network coverages effectively by developing integrated solutions for mobile network coverage through combination of macro and small cells as well as indoor and outdoor network infrastructure. The Company adheres to innovation-driven development by keeping abreast of the development of 5G technology, and promoting and leading the sharing of 5G DAS. We have been consistently enhancing technological innovation and the promoting standardizing. In this way, we are able to build an innovative system of China Tower style, which in turn helps to promote the development of society informatization.

Business operation risks: while all indicators in the operation of the Company reflected improvement as well as effective cost control, issues such as non-standardized and inadequate operation and management still exist among our branches. The Company ensures the risks are effectively controlled and promotes the standardized operation and sustainable and healthy development of all level of units by improvement of system, establishment of the risk management and control plan, execution of daily supervision and continuing to track on high risk areas.

The Board of the Company has placed great emphasis on the establishment and improvement of the risk management and internal control systems and is responsible for assessing and determining the nature and extent of risks that are acceptable to the Company in achieving strategic objectives, to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems and is responsible for the systems and the review of effectiveness of such systems.

The internal audit department of the Company plays an important role in supporting the Board, the management, and the risk management and internal control systems. Independent from business operations, the Company's internal audit system gives full play to its independent supervision role. According to the Company's development needs, the internal audit system centred on standardizing the business operating procedures and enhancing the standards of risk and internal control management. It focuses on key risks and significant risks, leverages on the advantages of the audit system to gradually form the systematic and standardized audit model and procedures, and continuously improves the audit quality and enhances the efficiency of rectification to the audit issues identified. The internal audit department at the Company's headquarters, leading internal audit departments, is responsible for the evaluation of risk and internal control, and provides objective assurance to the Audit Committee and the Board for ensuring that the management maintains stable operation, controllable risks and effective internet control under the established procedures and standards.

The internal audit department of the Company actively conducts various internal control and risk management audits, which reports the internal audit results to the Audit Committee and the Board regularly. Each functional department executes daily supervision of its managed areas of risk, keeps highly sensitive to high risk areas and evaluates constantly, as well as continues to track on the conditions of important risks and the execution of its management and control plan. For important risk management issue, the internal audit department shall study on the rectification measures and strictly monitor the implementation results of rectification measures jointly with business and other relevant departments, in order to ensure that the rectification measures can be effectively and thoroughly implemented.

The Board continued to monitor and supervise the risk management and internal control systems of the Company, including the financial, operational and compliance controls, and conducted an annual review on the risk management and internal control systems of the Company and its subsidiaries for the year ended 31 December 2024 through the Audit Committee. After receiving the report from the audit department and the relevant confirmation from the management to the Board as to the effectiveness of the relevant systems, the Board considered that the risk management and internal control systems of the Company were stable, healthy, proper, effective and adequate, and has satisfied the requirements under the part D.2 of the Corporate Governance Code regarding risk management and internal control.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness and such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has also established anti-corruption policies. The Company deepened the investigation and rectification of specific related persons, continued to implement the system of the List of Companies Prohibited from Trading of the Company, revised and improved the Regulations on Prohibiting Business Transactions with Enterprises Run by Specific Related Parties of Leaders and Employees in Key Positions of the Company to promote compliance operations of the Company and prevent and control corruption risks. At the same time, the Company analyzed to find the key areas and positions with high prevalence of problems in combination with the special rectification and disciplinary review to constantly promote integrity construction and anti-corruption work.

The Company continued to improve the embedded integrity risk prevention and control system. On the basis of the three lines of defense, i.e., business supervision, audit supervision and disciplinary supervision, the Company has established a supervision committee composed of discipline inspection commission, auditing department, inspection department and other departments to further promote the sharing and coordination of supervision work. At the same time, in order to enhance efficient supervision, the Company has built and launched a "supervision platform" to make the entire process of supervision work visible, manageable and controllable. Through continuous exploration and practice, the supervision effect of the Company's supervision committee has been gradually demonstrated, and the sense of supervision responsibility of business departments has been continuously enhanced to substantially promote the clean and healthy operation and development of the Company.

The Company has also established a complaint and reporting mechanism. The Company continued to strengthen the disciplinary inspection-related petitions and accepted reporting by such channels as letters, e-mails, telephone calls, and visits. Following the principle of "division of responsibilities by level, and centralized management", the Company dealt with different situations using four types of approaches, i.e., "interview and letter inquiry", "preliminary investigation", "temporary filing for investigation" and "case settlement", on various kinds of petitions. At the same time, the Company strictly managed the disposal process, requiring that disposal opinions and plans should be issued within one month from the date of receipt of the reported clues and the approval procedures should be fulfilled. The Audit Committee is responsible for the oversight and review of the complaint and reporting mechanism.

Information Disclosure

The Company has formulated a management system concerning information disclosure to regulate the disclosure of information for protecting the investors' legitimate interests, ensuring the true, accurate, complete and timely disclosure of information and maintaining open and effective communication with the investors, media and analysts. In disclosing information, the Company shall give a true and objective view of the operating results, financial condition and other status of the Company pursuant to the laws, regulations, governing rules of the listing place of the Company's securities and the requirements of relevant regulatory authorities of securities and other regulatory authorities. The Company places strong emphasis on handling inside information with the information disclosure management system in place regulating both the management and disclosure of the Company's inside information, for which any individual who has access to inside information shall keep confidential and which shall not be used illegally and irregularly.

Investor Relations

To ensure that the investors have a comprehensive and thorough understanding of the Group, with the establishment of timely and effective two-way communications, the management and investor relations team of the Group participate in different international investment conferences and arrange local and overseas non-deal roadshows on a regular basis to elaborate the Group's business development and market movement to investors in different locations.

In 2024, the senior management of the Group attended the conferences for annual results and interim results in person or by way of telephone conference, providing important information to the capital market and media by ways of various activities such as analysts' meetings, press conferences and global investor telephone conferences, responding to the most concerned issues of the investors for the time being and promoting the understanding of the Company's business and overall development of the telecommunications industry.

Moreover, the Group's senior management and investor relations team maintain regular communication with Shareholders, institutional investors and analysts, as well as active participation in international investors' activities and investment forums hosted by various organisations, so that the Group's business, development strategy and investment value would gain exposure to a larger number of investors through expanding the scope of engagement with its stakeholders. During the reporting period, the Company attended more than 20 investors and investment forums in London, Singapore, Hong Kong, Beijing, Shanghai and Shenzhen, communicated with over 800 investors in various forms.

In November 2024, the Company organized a reverse roadshow to introduce various businesses in Shanghai. By gathering investors feedback, it helped us to obtain a better understanding of the capital market's knowledge of and expectation on the Company, which is conducive to a more effective investor relations function in the future.

The Group has been enjoying longstanding market recognition for its outstanding performance in investor relations. During the year under review, the Group reaped over 10 domestic and international awards for investor relations, corporate governance and annual report in recognition of the Group's effort and dedication in investor relations and corporate governance from the capital market, providing a fine testimony to the Group's principle of maintaining high standards in investor relations.

The Company's investor relations website (ir.china-tower.com) not only serves as an important channel for the Company to disseminate press release and corporate information to investors, media and the capital market, but also plays a significant role in the Company's valuation and our compliance with regulatory requirements for information disclosure.

Shareholder Information

2025 Calendar

Announcement of 2024 annual results	17 March 2025
2024 AGM	20 May 2025
Last day to register for 2024 final dividend	26 May 2025
Closure of register of members for 2024 final dividend	27 May to 30 May 2025
Expected payment date of 2024 final dividend	On or around 30 June 2025

Stock Code

H Share

Hong Kong Stock Exchange	0788
Reuters	0788.HK
Bloomberg	788 HK Equity

Shareholder Services

Any matters relating to your shareholding, such as transfer of shares, change of name or address, and loss of share certificates should be addressed in writing to the Registrar:

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel : (852) 2862 8555
Fax : (852) 2865 0990
Email : hkinfo@computershare.com.hk

The Company's investor relations website (ir.china-tower.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) sets out details of the Company's arrangement for the dissemination of corporate communications.

Shareholder Enquiries

Shareholders are, at any time, welcome to raise enquiries to or request information (to the extent the information is publicly available) from the Board and management by writing to:

The Company Secretary
China Tower Corporation Limited
Room 3401, 34/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Investor Relations

For enquiries from investors and securities analysts, please contact:

Investor Relations Team
Tel : (852) 2811 4566
Email : ir@chinatowercom.cn

Independent Auditor's Report

KPMG

Independent auditor's report
To the Shareholders of China Tower Corporation Limited
(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of China Tower Corporation Limited ("the Company") and its subsidiaries ("the Group") set out on pages 114 to 183, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter (Continued)

Revenue recognition

Refer to note 6 to the consolidated financial statements and the accounting policies on pages 132 to 134.

The Key Audit Matter	How the matter was addressed in our audit
The Group entered into Commercial Pricing Agreements and Service Agreements including provincial service agreements with three telecommunications service providers and their respective branches/subsidiaries, pursuant to which the Group provides relevant services, including provision of telecommunications tower site space, provision of maintenance services and power services ("Tower business") and provision of services in relation to indoor distributed antenna systems ("DAS business"). Revenue from Tower business and DAS business are automatically calculated in IT system based on the inputted information of individual site order, and corresponding price and applicable discount rate as stipulated in the Commercial Pricing Agreements and Service Agreements including provincial service agreements, which involves large volume of data processing. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and involves complex IT system which give rise to an inherent risk that revenue transactions may be incorrectly recorded.	Our audit procedures to assess the recognition of revenue included the following: • assessing, with the assistance of our IT specialists, the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; • assessing the appropriateness of the accounting policies adopted in revenue recognition by inspecting the key terms in the Commercial Pricing Agreements and Service Agreements including provincial service agreements; • recalculating, with the use of computer assisted audit techniques, revenue from Tower business and DAS business recognised during the year, using data extracted from the IT system and reconciling the results to the Group's financial records; • comparing, on a sample basis, the inputted information relates to revenue from Tower business and DAS business recognised during the year with the Commercial Pricing Agreements, Service Agreements including provincial service agreements, and order confirmation forms of individual sites; • confirming, on a sample basis, directly with branches/subsidiaries of the three telecommunications service providers on revenue recognised during the year, and, performing alternative procedures for unreturned confirmations; and • inspecting journal entries relating to revenue which met specific risk-based criteria and comparing details of these journal entries with relevant underlying documentation.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Ying Man Simon.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

17 March 2025

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December 2024 RMB million	2023 RMB million
Operating revenue	6	**97,772**	94,009
Operating expenses			
Depreciation and amortisation		**(50,229)**	(49,049)
Repairs and maintenance		**(6,992)**	(7,408)
Employee benefits and expenses	7	**(9,573)**	(8,844)
Site operation and support expenses	8	**(5,504)**	(5,393)
Other operating expenses	9	**(9,144)**	(8,813)
		(81,442)	(79,507)
Operating profit		**16,330**	14,502
Other gains, net	10	**365**	1,114
Interest income		**63**	43
Finance costs	11	**(2,639)**	(2,827)
Profit before income taxation		**14,119**	12,832
Income tax expense	12	**(3,389)**	(3,082)
Profit for the year		**10,730**	9,750
Profit attributable to:			
Owners of the Company		**10,729**	9,750
Non-controlling interests		**1**	–
Other comprehensive income for the year, net of tax			
Item that will not be reclassified to profit or loss			
Remeasurements of post-retirement benefit obligations		**(3)**	6
Other comprehensive income for the year		**(3)**	6
Total comprehensive income for the year		**10,727**	9,756
Total comprehensive income for the year attributable to:			
Owners of the Company		**10,726**	9,756
Non-controlling interests		**1**	–
		10,727	9,756
Basic and diluted earnings per share (in RMB Yuan)			
Basic/diluted *(restated)*	13	**0.6138**	0.5578

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	As at 31 December 2024 RMB million	2023 RMB million
Assets			
Non-current assets			
Property, plant and equipment	14	**192,770**	201,542
Construction in progress	15	**12,718**	12,313
Right-of-use assets	16	**32,247**	31,083
Deferred income tax assets	17	**2,618**	2,208
Other non-current assets		**1,121**	778
		241,474	247,924
Current assets			
Trade and other receivables	19	**85,907**	71,685
Prepayments and other current assets	20	**2,855**	2,443
Cash and cash equivalents	21	**2,598**	3,955
		91,360	78,083
Total assets		**332,834**	326,007
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	22	**176,008**	176,008
Reserves	22	**23,970**	21,686
Total equity attributable to owners of the Company		**199,978**	197,694
Non-controlling interests		**1**	–
Total equity		**199,979**	197,694

Consolidated Statement of Financial Position (Continued)

	Note	As at 31 December 2024 RMB million	2023 RMB million
Liabilities			
Non-current liabilities			
Borrowings	23(a)	**41,084**	49,329
Lease liabilities	16	**15,555**	14,647
Deferred government grants	24	**380**	368
Employee benefit obligations		**37**	35
		57,056	64,379
Current liabilities			
Borrowings	23(a)	**28,525**	23,786
Lease liabilities	16	**7,378**	6,864
Accounts payable	25	**33,269**	28,286
Accrued expenses and other payables	26	**6,280**	4,825
Current income tax payable		**347**	173
		75,799	63,934
Total liabilities		**132,855**	128,313
Total equity and liabilities		**332,834**	326,007

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 114 to 183 were approved by the Board of Directors on 17 March 2025 and were signed on its behalf:

ZHANG Zhiyong	**CHEN Li**
Director	Director

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company							Non-controlling interests RMB million	Total equity RMB million
		Share capital RMB million	Share premium RMB million	Shares held under restricted share incentive scheme RMB million	Statutory reserves RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million		
Balance at 31 December 2022		176,008	3,694	(1,954)	2,735	(1)	13,109	193,591	–	193,591
Profit for the year		–	–	–	–	–	9,750	9,750	–	9,750
Other comprehensive income		–	–	–	–	–	6	6	–	6
Total comprehensive income for the year		–	–	–	–	–	9,756	9,756	–	9,756
Dividends paid	22(c)	–	–	–	–	–	(5,653)	(5,653)	–	(5,653)
Transfer to statutory reserves		–	–	–	977	–	(977)	–	–	–
Balance at 31 December 2023		176,008	3,694	(1,954)	3,712	(1)	16,235	197,694	–	197,694

	Note	Attributable to owners of the Company							Non-controlling interests RMB million	Total equity RMB million
		Share capital RMB million	Share premium RMB million	Shares held under restricted share incentive scheme RMB million	Statutory reserves RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million		
Balance at 31 December 2023		176,008	3,694	(1,954)	3,712	(1)	16,235	197,694	–	197,694
Profit for the year		–	–	–	–	–	10,729	10,729	1	10,730
Other comprehensive income		–	–	–	–	(3)	–	(3)	–	(3)
Total comprehensive income for the year		–	–	–	–	(3)	10,729	10,726	1	10,727
Dividends paid	22(c)	–	–	–	–	–	(8,442)	(8,442)	–	(8,442)
Transfer to statutory reserves		–	–	–	1,070	–	(1,070)	–	–	–
Balance at 31 December 2024		176,008	3,694	(1,954)	4,782	(4)	17,452	199,978	1	199,979

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

		Year ended 31 December	
		2024	2023
	Note	**RMB million**	RMB million
Cash flows from operating activities			
Cash generated from operations	27(a)	**53,011**	36,197
Income tax paid		**(3,606)**	(3,400)
Interest received		**63**	43
Net cash inflow from operating activities		**49,468**	32,840
Cash flows from investing activities			
Payments for property, plant and equipment and construction in progress		**(29,783)**	(33,464)
Payments for land use right		**(6)**	(14)
Proceeds from disposal of property, plant and equipment	27(b)	**1,810**	1,573
Net cash outflow from investing activities		**(27,979)**	(31,905)
Cash flows from financing activities	27(c)		
Proceeds from borrowings		**20,736**	50,596
Repayments to employees for restricted share incentive scheme		**–**	(358)
Repayments of borrowings		**(22,641)**	(34,599)
Dividends paid to the owners of Company		**(8,442)**	(5,653)
Interest paid for borrowings		**(1,602)**	(1,612)
Payments of lease liabilities (including principal and interest)		**(10,896)**	(10,470)
Net cash outflow from financing activities		**(22,845)**	(2,096)
Net decrease in cash and cash equivalents		**(1,356)**	(1,161)
Cash and cash equivalents at the beginning of the financial year		**3,955**	5,117
Effect of exchange rate changes on cash and cash equivalents		**(1)**	(1)
Cash and cash equivalents at the end of year	21	**2,598**	3,955

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

1 General information

China Tower Corporation Limited (中國鐵塔股份有限公司, the "**Company**") was established by China Mobile Communication Company Limited ("**China Mobile Company**"), China United Network Communications Corporation Limited ("**China Unicom Corporation**") and China Telecom Corporation Limited ("**China Telecom**") (collectively hereinafter referred to as the "**Telecom Shareholders**") on 15 July 2014, as a limited liability company in the People's Republic of China (the "**PRC**"), with a total registered capital of RMB10,000 million.

The ultimate controlling shareholders of each of the Telecom Shareholders, namely China Mobile Communications Group Co., Ltd. ("**CMCC**"), China United Network Communications Group Company Limited ("**CUC**") and China Telecommunications Corporation ("**CTC**"), are state-owned enterprises ultimately controlled by the PRC government. CMCC together with China Mobile Company and all their subsidiaries are hereinafter referred to as "**CMCC Group**"; CUC together with China Unicom Corporation and all their subsidiaries are hereinafter referred to as "**CUC Group**"; CTC together with China Telecom and all their subsidiaries are hereinafter referred to as "**CTC Group**" (the three telecommunications service providers in China collectively hereinafter referred to as the "**Three TSPs**").

In 2015, the share capital of the Company was increased to RMB129,345 million, after an acquisition of certain telecommunications towers and related assets (the "**Tower Assets**") from the Telecom Shareholders and new shares issuance to a new investor, China Reform Holdings Corporation Ltd. ("**China Reform**"). On 8 August 2018, the Company completed the global offering of its H shares on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in constructing and operating telecommunications towers, provision of telecommunications tower site space (the "**provision of Site Space**"); provision of maintenance services ("**Maintenance services**") and power services ("**Power services**"); provision of services in relation to indoor distributed antenna systems ("**DAS**"), other trans-sector site application and information services ("**Smart Tower business**") and energy business ("**Energy business**"). The provision of Site Space, the Maintenance services and the Power services for tower sites are collectively referred to as the "Tower business". The Company's headquarter is in Beijing, the PRC, with 31 provincial branches operating across mainland China.

The consolidated financial statements are presented in RMB, unless otherwise stated.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**"). IFRS Accounting Standards comprise International Financial Reporting Standards ("**IFRS**"), International Accounting Standards ("**IAS**"), and Interpretations. The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements of the Group have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where estimates are significant to the financial statements are disclosed in Note 4.

(a) New and amended standards adopted by the Group

The following new and amended IFRS Accounting Standards are mandatory for the first time for the Group's financial year beginning on 1 January 2024 and are applicable for the Group:

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("2020 amendments") and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("2022 amendments")

The adoption of the above new and amended IFRS Accounting Standards effective for the financial year beginning on 1 January 2024 does not have a material impact on the Group.

(Expressed in RMB unless otherwise indicated)

2 Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) Standards and Interpretations issued but not yet effective and not been early adopted

In addition, the IASB also published a number of new standards and amendments to standards which are effective for the Group's financial year beginning on or after 1 January 2025 and have not been early adopted by the Group. Management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

	Effective for accounting periods beginning on or after
Amendments to IAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025
Amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027

2.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations not involving enterprises under common control by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2 Summary of material accounting policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(b) Separate financial statements

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Equity method of accounting is applied for its investments in associates. Under the equity method of accounting, the investments are initially recognised at costs and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investees in the profit or loss, and the Group's share of movements in other comprehensive income of the investees in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amounts of the investments.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's executive directors and senior management.

2.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). The consolidated financial statements of the Group are presented in RMB, which is also the Company's functional currency.

2 Summary of material accounting policies (Continued)

2.4 Foreign currency translation (Continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets and liabilities such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting periods;

- income and expenses for the statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2 Summary of material accounting policies (Continued)

2.5 Property, plant and equipment

The Group's property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (Note 2.7). Historical cost comprises the purchase price and any directly attributable costs of bringing the asset to its working location and condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

	Estimated residual value (%)	Estimated useful life
Buildings	3%	30 years
Towers, DAS and ancillary facilities	0 – 3%	7 – 25 years
Equipment	0 – 3%	5 – 8 years
Office facilities, furniture, transportation and others	3%	5 – 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the net sales proceeds with the carrying amount and are recognised within "Other operating expenses" in the consolidated statement of comprehensive income.

2 Summary of material accounting policies (Continued)

2.6 Construction-in-progress

The Group's construction-in-progress ("**CIP**") represents buildings and equipment under construction and pending installation, and is stated at cost less accumulated impairment losses (Note 2.7). Costs include construction and acquisition costs, and interest charges arising from borrowings used to finance the assets during the construction period. No provision for depreciation is made on CIP until such time as the assets are completed and ready for its intended use. When the asset being constructed becomes available for use, the CIP is transferred to the appropriate category of property, plant and equipment.

2.7 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Summary of material accounting policies (Continued)

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

For the years ended 31 December 2024 and 2023, the Group only has debt instruments measured at amortised cost.

Debt instruments measured at amortised cost are assets held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method, foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables due from the Three TSPs arising from payment on behalf of the Three TSPs, the Group measures loss allowance at an amount equal to lifetime expected loss allowance to be recognised from initial recognition of the receivables. The expected credit losses are based on current conditions as well as reasonable forecasts of future economic conditions from time to time. See Note 3.1(b) for further details.

2 Summary of material accounting policies (Continued)

2.9 Trade receivables

Trade receivables are amounts due from customers arising from the ordinary courses of business. They are generally due for settlement within 1 year from the date of billing (or in normal operating cycle of the business if longer) and therefore classified as current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies are provided in Note 2.8(d) above.

2.10 Cash and cash equivalents

The Group's cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2.11 Share capital

The Company's ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Accounts payable and other payables

Accounts payable and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the granted credit period. Accounts payable and other payables are initially recognised at fair value. Subsequent to initial recognition, accounts payable and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

2 Summary of material accounting policies (Continued)

2.13 Borrowings

The Group's borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2 Summary of material accounting policies (Continued)

2.15 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the PRC where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and consider whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an assets or liability in a transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 Summary of material accounting policies (Continued)

2.16 Employee benefits

(a) Short-term employee benefits

Salaries and welfare

Liabilities for salaries and allowance, annual bonuses and paid annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included in accrued expenses and other payables in the consolidated statement of financial position.

Medical insurance

The Group's contributions to basic and supplementary medical insurances for its employees are expensed as incurred. The Group has no further payment obligations once the contributions have been paid.

Housing fund benefits

The Group's contributions to the housing fund managed by the local government authorities whereby the Group is required to contribute to housing fund for its employees at fixed rates of the employees' salary costs. The contributions to housing fund are expensed as incurred. The Group has no further payment obligations once the contributions have been paid.

(b) Post-employment benefit

Defined contribution obligations

The employees of the Group in mainland China participate in the defined contribution pension schemes managed by the local government authorities whereby the Group is required to contribute to the schemes at fixed rates of the employees' salary costs on a mandatory basis.

In addition to the local governmental defined contribution pension schemes, the employees of the Group also participate in a supplementary pension scheme launched by the Group that is managed by an independent insurance company, whereby the Group is required to make contributions to the supplementary pension schemes at fixed rates of the employees' salary or in accordance with the terms of the plan, on a contractual and voluntary basis.

The Group's contributions to these plans mentioned above are charged to profit or loss when incurred. The Group has no further payment obligations once the contributions have been paid.

2 Summary of material accounting policies (Continued)

2.16 Employee benefits (Continued)

(b) Post-employment benefit (Continued)

Defined benefit obligations

The Group also provides post-retirement benefits to its employees based in mainland China who have retired before the end of 2023. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement.

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of PRC government bonds with terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. For the years ended 31 December 2024 and 2023, the Group did not have material termination benefits.

(d) Share-based payment

The Group provides share-based compensation benefits to employees via its restricted share incentive scheme, which is managed under a Trust. Information relating to the scheme is set out in Note 22(d).

The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

2 Summary of material accounting policies (Continued)

2.17 Provisions

Provisions for legal claims and other obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.18 Revenue

The Group's operating revenue primarily arises from the Tower business, the DAS business, the Smart Tower business and the Energy business. During the years ended 31 December 2024 and 2023, the major customers and tenants of the Group are the Three TSPs in mainland China. Other customers include other telecommunication service providers, wireless data providers, government agencies and other users in mainland China. Further details of the Group's revenue recognition policies are as follows:

- ***Tower business***

  The Group's Tower business includes macro cell business and small cell business.

  (i) Provision of Site Space

  The Group provides tower site space to the Three TSPs for carrying their telecommunications equipment. Rental income from operating leases is set out in Note 2.18(a).

  (ii) Maintenance services

  The maintenance services include providing shared shelters or cabinets, and ancillary equipment capacity to the Three TSPs to facilitate the operating of their telecommunications equipment, monitoring equipment operations, routine inspection, device breakdown handling, property upkeep, working environment protection and operation analysis. Through the maintenance services, the Group assists its customers to maintain continuous functioning of their equipment.

2 Summary of material accounting policies (Continued)

2.18 Revenue (Continued)

- ***Tower business (Continued)***

  (iii) Power services

  The Group provides power connection services, backup power services to the customers' telecommunications equipment. Generally, the customer's equipment is connected to the public power grid to obtain power to run its equipment. If no connection, the Group provides electricity connection services to connect the public power grid to the customers. In the event of a disruption in utility electricity, the Group provides backup power using batteries, gasoline or diesel generators.

- ***DAS business***

  The Group provides services in relation to DAS system to the Three TSPs for connecting their telecommunication equipment, helping them receive and send indoor mobile telecommunication network signals to enable mobile telecommunication network signals covering buildings, large venues and tunnels (i.e. subway, high-speed railways and highways).

- ***Smart Tower business***

  The Group provides various services to customers from various industries based on its site resources as well as power supply, maintenance platform, data transmission network, apart from mounting various types of equipment for customers and maintaining their normal operations, to satisfy customers' requirements of collecting, transmission or application of data information.

- ***Energy business***

  The Group's backup power services is to provide standby emergency power supply to corporate customers when there is expected normal power interruption/unexpected power outage. Contract with customers are usually with fixed price and entered into on annual/quarter basis. Besides, the Group also sells batteries to its customers.

  The Group's battery exchange services is to provide replaceable batteries to individual customers when their electric vehicles are in low power status. Contract with customers are usually with fixed price and entered into on month basis.

  The Group also provides battery recharge services to corporate and individual customers on ad hoc basis when their batteries are exhausted and the fee is charged on fixed price per usage basis.

2 Summary of material accounting policies (Continued)

2.18 Revenue (Continued)

(a) Rental income from operating leases

The Group, as a lessor, accounts for the provision of Site Space as operating lease under IFRS 16, and recognises revenue on a straight-line basis over the term of lease. Variable lease payment not based on index or rate should be recognised as revenue as incurred.

(b) Revenue from contracts with customers

The Group accounts for other businesses mentioned above under IFRS 15, recognises service revenue over time when these services are rendered and recognises revenue from sales of product at a point in time when the control over the product has been transferred to the customers. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

The Group generally provides credit terms to customers within 1-6 months. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

2.19 Interest income

Interest income is recognised using the effective interest method in the consolidated statement of comprehensive income.

2 Summary of material accounting policies (Continued)

2.20 Leases

The Group as lessee

As a lessee, the Group leases certain office premises, telecommunication tower site properties (the "**Site Properties**") and equipment for its operations.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

2 Summary of material accounting policies (Continued)

2.20 Leases (Continued)

The Group as lessee (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of tower sites, equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture and equipment.

The Group as lessor – operating lease

Lease revenue from operating leases, such as the revenue from the provision of Site Space (Note 2.18), where the Group is a lessor, is recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognised as incurred. The respective leased assets are included in the consolidated statement of financial position based on their nature.

2.21 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

2 Summary of material accounting policies (Continued)

2.22 Related parties

According to International Accounting Standard 24 "Related Party Disclosures", the definition of a related party includes the following persons and entities:

(a) A person (or a close member of that person's family) is related to the Group if the person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group, or of a parent of the Group.

(b) An entity (B) is related to the Group (A) if:

(i) A and B are members of the same group (that is all entities within a group are related to each other);

(ii) A is an associate or joint venture of B. In this case A is related to all members of the Group that B belongs to;

(iii) A and B are joint ventures of the same third party, C;

(iv) A is a joint venture of C and B is an associate of C (or vice versa);

(v) B is a post-employment benefit plan for the benefit of employees of A or an entity related to A. If A is itself a post-employment benefit plan, any sponsoring employers are also related to A;

(vi) B is controlled or jointly controlled by a person identified in (a) above;

(vii) a person who has control or joint control over A has significant influence over B or is a member of the key management personnel of B; or

(viii) B (or any member of the Group of which B is a part) provides key management personnel services to A or A's parent.

In this definition, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

2 Summary of material accounting policies (Continued)

2.23 Dividend

Dividend to the Company's shareholders is recognised as a liability in the Company's consolidated financial statements in the period in which the dividends are approved by the annual general meeting.

2.24 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares dividing the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding the unvested shares held under restricted shares incentive scheme.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account of the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (such as cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the Group's headquarter financial department ("**Finance Department**") under the policies approved by the board of directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating branches or units.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk for its cash and bank deposits denominated in Hong Kong dollars and Lao Kip other than the functional currency of the respective group entities, which are RMB and USD. As at 31 December 2024, the Group's cash and bank deposits denominated in Hong Kong dollars and Lao Kip represented 7.2% (2023: 0.5%) of the total cash and bank deposits thus, the Group does not expect the appreciation or depreciation of the RMB against foreign currencies will materially affect the Group's financial position and result of operations.

(ii) Interest rate risk

The Group's interest rate risk mainly arises from interest-bearing liabilities. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash at banks held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift applicable to the Group. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the prevailing market conditions, the Group would determine an appropriate level of exposure arising from cash flow interest rate risk and fair value interest rate risk. Then the Group adjusts the levels of borrowings at variable rates and fixed rates, depending on the assessment of the interest exposure. As at 31 December 2024, the Group's borrowings at variable rates amounted to RMB47,818 million (2023: RMB49,612 million). Based on the simulations performed, assuming interest rates increase/decrease by 100 basis points, the Group's profit after tax for the year ended 31 December 2024 will decrease/increase by RMB360 million (2023: RMB374 million) for borrowings at variable rates.

During the years ended 31 December 2024 and 2023, the Group has no position in interest rate swap.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is managed by sources, including cash at banks, deposits with banks and other financial institutions, as well as credit exposures to customers and other debtors, including outstanding receivables.

Since bank deposits are mainly placed with state-owned banks or other large-scale listed financial institutions, the Group considers that there is no material credit risk regarding the deposits with banks and other financial institutions.

As for trade and other receivables, the Group has credit policy to monitor the level of credit risk. In general, the credit period for each customer or debtor are regularly assessed, based on the customer's or debtor's financial condition, their capacity to obtain guarantee from third parties, their credit records and other factors such as current market condition. The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenue.

i) The Group has two types of assets that are subject to expected credit loss model:

- Trade receivables
- Other receivables

Trade receivables

Given the nature of the Group's business, it has significant concentrations risk since there are significant trade receivables due from the Three TSPs (the trade receivable balances due from the Three TSPs accounted for 86.01% of the Group's total trade receivable balances at 31 December 2024 (2023: 87.90%).

To mitigate this risk, the Group timely monitors its receivable balances and all bills should be paid within one to three months as agreed with the Three TSPs. Due to the relatively high credit rating and business reputation, the credit risks of the Three TSPs are assessed as low. The Group uses probability of default (PD), exposure at default (EAD) and loss given default (LGD) to measure the credit risk from the Three TSPs. Additional credit loss allowance would be immediately recognised in profit or loss when the management has assessed there is additional risk arose.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Trade receivables (Continued)

Other customers include local government authorities, public institutions, state-owned companies and other customer groups. The Group regularly monitors their credit records and takes necessary actions to reduce and control the overall credit risk, such as sending written notice for payment, getting payment guarantee (such as requiring deposits) and shortening or cancelling credit period, which normally ranged from 1 to 6 months. The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group identifies the most relevant factors to be Gross Domestic Product (GDP), Consumer Price Index (CPI) and Total Retail Sales of Consumer Goods, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Other receivables

The Group considers the probability of default upon initial recognition of other receivables which subsequently measured at amortised cost and whether there has been a significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the other receivables as at the end of the reporting periods with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are considered:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of debtors;
- Significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors and historical credit loss experience.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Other receivables (Continued)

For other receivables from the Three TSPs, it is mainly payments made on behalf of the Three TSPs, which resulted from the contract with customers while acting as an agent. As it has similar nature with trade receivables, management applies the same methodology to assess the expected credit losses for these other receivables from the Three TSPs.

For the other receivables other than those from the Three TSPs, mainly deposit to suppliers and customers, as it has quick turnover, no historical of default, the Group is of the view that the credit risk is immaterial.

ii) Based on similar credit risk characteristics, trade receivables and other receivables have been grouped into two portfolios:

- the Three TSPs;
- other customers.

On that basis, the loss allowance as at 31 December 2024 and 2023 was determined as follows for trade receivables and other receivables:

- the Three TSPs

  As at 31 December 2024, the expected loss rate for trade receivables from the Three TSPs group was 1.39% (2023: 1.18%) and relevant loss allowance was RMB998 million (2023: RMB701 million). As at 31 December 2024, the relevant loss allowance for other receivables from the Three TSPs group and was not material.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Other receivables (Continued)

- other customers

The following table provides information about the Group's exposure to credit risk and expected loss rate for trade receivables from other customers:

	Within 180 days	181 days to 1 year	1 year to 2 years	2 years to 3 years	Over 3 years
As at 31 December 2024					
Expected loss rate	**9.84%**	**16.55%**	**34.02%**	**82.27%**	**100.00%**
Gross carrying amount – trade receivables	**5,110**	**2,466**	**2,631**	**863**	**620**
Loss allowance	**503**	**408**	**895**	**710**	**620**
As at 31 December 2023					
Expected loss rate	9.12%	19.20%	36.96%	81.82%	100.00%
Gross carrying amount – trade receivables	4,012	1,906	1,453	363	439
Loss allowance	366	366	537	297	439

iii) The loss allowance for trade receivables and other receivables as at 31 December reconcile to the opening loss allowance as follows:

	Other receivables		Trade receivables	
	2024	2023	**2024**	2023
	RMB million	RMB million	**RMB million**	RMB million
Opening loss allowance at 1 January	**1**	2	**2,706**	1,857
Provision of expected credit losses during the year	**1**	–	**1,445**	869
Receivables written off during the year as uncollectible	**(1)**	(1)	**(16)**	(20)
Collection of receivables written off in previous year	**–**	–	**(1)**	–
Closing loss allowance at 31 December	**1**	1	**4,134**	2,706

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Other receivables (Continued)

Trade and other receivables are write-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failures of a debtor to engage in a repayment with the Group.

Impairment losses on trade receivables and other receivables is presented as credit loss allowance within other operating expenses (Note 9). Subsequent recoveries of amounts previously written off are credited against the same line item.

Net impairment losses on financial assets recognised in profit or loss

During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

	2024 RMB million	2023 RMB million
Movement in loss allowance for trade receivables and other receivables	1,446	869
Recovery of receivables written off in previous year	(1)	–
Impairment losses on financial assets at amortised cost	1,445	869

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and ensuring the availability of funds. Given the nature of the Group's businesses, the policy of the Group's finance department is to maintain flexibility in funding through having adequate amount of cash and cash equivalents, utilising different sources of financing, and maintaining the availability of committed, unrestricted and unutilised revolving bank credit facilities at its headquarter.

The Group invests surplus cash in short-term time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom. As at 31 December 2024, the Group holds cash and cash equivalents of RMB2,598 million (2023: RMB3,955 million) to manage liquidity risk.

In addition, the Group considers that it has adequate liquidity and access to medium and long-term financings that enable the Group to meet working capital requirements and commitments for future capital expenditures.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The finance department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs and capital expenditures requirements, while maintaining sufficient headroom on its undrawn committed, unrestricted and revolving committed bank credit facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance (where applicable) and the economic environment.

The following table sets out the remaining contractual maturities of the Group's financial liabilities at the end of the reporting periods, which are based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on prevailing rates at the end of the reporting periods) and the earliest date the Group would be required to repay:

	Carrying amount RMB million	Total contractual undiscounted cash flow RMB million	Within 1 year or on demand RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million
As at 31 December 2023						
Borrowings	73,115	76,008	25,083	21,443	29,482	–
Accounts payable and other payables excluding other non-financial liabilities	29,854	29,854	29,854	–	–	–
Lease liabilities	21,511	24,014	7,022	5,524	7,009	4,459
	124,480	129,876	61,959	26,967	36,491	4,459
As at 31 December 2024						
Borrowings	69,609	71,513	29,720	31,593	10,200	–
Accounts payable and other payables excluding other non-financial liabilities	34,688	34,688	34,688	–	–	–
Lease liabilities	22,933	25,058	7,465	5,835	7,375	4,383
	127,230	131,259	71,873	37,428	17,575	4,383

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

3 Financial risk management (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as interest-bearing liabilities (including borrowings, lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	As at 31 December	
	2024	2023
	RMB million	RMB million
Interest-bearing liabilities (Note 16 and Note 23)	**92,542**	94,626
Less: cash and cash equivalents (Note 21)	**(2,598)**	(3,955)
Net debt[1] (Note 27 (c))	**89,944**	90,671
Total equity	**199,979**	197,694
Total capital[2]	**289,923**	288,365
Gearing ratio[1]/[2]	**31.0%**	31.4%

3.3 Fair value estimation

As at 31 December 2024 and 2023, the Group has no financial assets and financial liabilities measured at fair value. The financial assets and financial liabilities that are not carrying at fair values mainly include cash and cash equivalent, trade and other receivables, accounts payable, other payables and borrowings. The Group measures these financial assets and financial liabilities at amortised cost. As at 31 December 2024 and 2023, the Group considers that their carrying values approximate fair value due to the short maturity of the instruments and/or they are bearing interest at market rates.

4 Accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated useful lives and residual values of property, plant and equipment

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives and residual values are determined based on the Group's historical experience with similar assets, taking into account the change of construction standards and methodology, the assessment of future technological requirements of telecommunications networks, and the issuance of favourable government regulations that would affect their estimated useful lives. The depreciation expense for future periods would be adjusted if there are significant changes from previous estimates.

(b) Impairment of property, plant and equipment

The Group's property, plant and equipment comprise a significant portion of the Group's total assets. Changes in technology, business or industry conditions may cause the estimated period of use or the value of these assets to change. Property, plant and equipment are reviewed at least annually to determine whether there is any indication of impairment.

The recoverable amount is estimated whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. An impairment loss is recognised when the asset's carrying value exceeds its recoverable amount. The recoverable amount is determined based on the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group uses all readily available information in determining a reasonable estimation of the recoverable amount, based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the recoverable amounts of the assets and could result in further impairment charge in future periods.

(c) Allowance for expected credit losses

Management estimates expected credit losses allowance on trade and other receivables based on assumptions about risk of default and expected loss rates. The Group assesses these assumptions and selects the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at each end of the reporting periods. For the Group's detailed assessment of credit risk, please refer to Note 3.1(b).

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5 Segment information

The executive directors and senior management of the Company, as a decision-making group has been identified as the Group's chief operating decision-maker ("**CODM**"). The Group has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The CODM reviews the revenue from revenue stream perspective including Tower business, DAS business, Smart Tower business and Energy business. However, the CODM does not make the decision related to resource allocation or performance evaluation solely based on the revenue generated from the different businesses. Rather, the CODM reviews the Group's performance and budget as a whole. Therefore, the CODM concludes that the Group has one operating segment.

Substantially all the Group's long-lived assets are located in the mainland China and substantially all the Group's revenue and operating profit are derived from the mainland China during the year.

The Group's revenue is primarily generated from the Three TSPs.

The major customers that contribute more than 10% of the total revenue of the Group are listed as below:

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
CMCC Group	**42,460**	42,191
CTC Group	**21,369**	20,793
CUC Group	**20,928**	19,764
	84,757	82,748

For the year ended 31 December 2024, the revenue generated from the Three TSPs accounted for 86.69% (2023: 88.02%) of the total revenue.

6 Operating revenue

The table below summarises the Group's operating revenue by business types:

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Tower business (Note (ii))	**75,689**	75,023
DAS business	**8,430**	7,140
Smart Tower business	**8,911**	7,283
Energy business	**4,477**	4,214
Others	**265**	349
	97,772	94,009

6 Operating revenue (Continued)

Note:

(i) Disaggregation of operating revenue:

	Year ended 31 December 2024 RMB million	2023 RMB million
Operating revenue		
Rental income under IFRS 16	64,103	63,431
Revenue from contract with customer under IFRS 15	33,669	30,578
Including: revenue recognised over time	32,896	29,843
revenue recognised at a point in time	773	735
	97,772	94,009

(ii) The table below summarises the Group's Tower business revenue by nature of services:

	Year ended 31 December 2024 RMB million	2023 RMB million
Revenue from provision of Site Space	64,103	63,431
Revenue from Maintenance services and Power services	11,586	11,592
	75,689	75,023

7 Employee benefits and expenses

	Year ended 31 December 2024 RMB million	2023 RMB million
Salaries and welfare	7,100	6,695
Post-employment benefits	1,222	1,146
Contributions to medical insurance	636	445
Contributions to housing fund	615	558
	9,573	8,844

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7 Employee benefits and expenses (Continued)

(a) Directors' and supervisors' remuneration

Directors' and supervisors' remuneration during 2024 is as follows:

	Directors/ supervisors' fee RMB thousand	Salaries, allowances and bonuses RMB thousand	Contributions relating to social insurance, housing fund and retirement scheme RMB thousand	Total RMB thousand
Executive directors				
ZHANG Zhiyong	–	970	247	1,217
CHEN Li (Note (ii))	–	327	166	493
GAO Chunlei (Note (iii))	–	837	219	1,056
	–	2,134	632	2,766
Non-executive directors (Note (i))				
GAO Tongqing (Note (iv))	–	–	–	–
TANG Yongbo	–	–	–	–
LIU Guiqing	–	–	–	–
FANG Xiaobing	–	–	–	–
	–	–	–	–
Independent non-executive directors				
ZHANG Guohou (Note (v))	–	–	–	–
DONG Chunbo	–	–	–	–
HU Zhanghong	172	–	–	172
SIN Hendrick	151	–	–	151
ZHANG Wei (Note (vi))	20	–	–	20
	343	–	–	343
Supervisors				
FAN Xiaoqing	–	725	260	985
LIU Wei (Note (vii))	–	–	–	–
LI Zhangting	–	–	–	–
HAN Fang	–	–	–	–
LI Tienan (Note (i))	–	–	–	–
WANG Hongwei	–	725	259	984
CAO Yingchun (Note (viii))	–	–	–	–
	–	1,450	519	1,969

7 Employee benefits and expenses (Continued)

(a) Directors' and supervisors' remuneration (Continued)

Note:

(i) These non-executive directors and supervisors of the Company received emoluments for their services from the related parties. No apportionment has been made as these directors and supervisors of the Company consider it is impractical to apportion their emoluments between the Group and the related parties according to their services provided.

(ii) Mr. CHEN Li was appointed as executive director of the Company on 20 May 2024.

(iii) Mr. Gao Chunlei resigned from position as executive director of the Company with effect from 18 November 2024.

(iv) Mr. GAO Tongqing resigned from position as non-executive director of the Company with effect from 23 December 2024.

(v) Mr. ZHANG Guohou resigned from position as independent non-executive director of the Company with effect from 13 March 2024.

(vi) Ms. ZHANG Wei was appointed as independent non-executive director of the Company on 13 September 2024.

(vii) Mr. LIU Wei resigned from position as supervisor of the Company with effect from 12 April 2024.

(viii) Ms. CAO Yingchun was appointed as supervisor of the Company on 20 May 2024.

(ix) In addition to the supervisors' remuneration in the table, as approved by the board of directors, a special bonus amounted to RMB467 thousand and RMB459 thousand in 2024 was paid to Ms. FAN Xiaoqing and Mr. WANG Hongwei respectively by the Company for their past performance.

(x) The remuneration of all directors and supervisors was calculated based on their respective actual terms of office within this year.

7 Employee benefits and expenses (Continued)

(a) Directors' and supervisors' remuneration (Continued)

Directors' and supervisors' remuneration during 2023 is as follows:

	Directors/ supervisors' fee RMB thousand	Salaries, allowances and bonuses RMB thousand	Contributions relating to social insurance, housing fund and retirement scheme RMB thousand	Total RMB thousand
Executive directors				
ZHANG Zhiyong	–	624	255	879
GU Xiaomin (Note (ii))	–	581	255	836
GAO Chunlei	–	522	245	767
	–	1,727	755	2,482
Non-executive directors (Note (i))				
GAO Tongqing	–	–	–	–
TANG Yongbo (Note (iii))	–	–	–	–
LIU Guiqing	–	–	–	–
FANG Xiaobing	–	–	–	–
	–	–	–	–
Independent non-executive directors				
ZHANG Guohou	–	–	–	–
DONG Chunbo	–	–	–	–
HU Zhanghong	141	–	–	141
SIN Hendrick	123	–	–	123
	264	–	–	264
Supervisors				
FAN Xiaoqing	–	809	244	1,053
LIU Wei	–	–	–	–
LI Zhangting	–	–	–	–
HAN Fang	–	–	–	–
LI Tienan (Note (i))	–	–	–	–
WANG Hongwei	–	724	254	978
	–	1,533	498	2,031

7 Employee benefits and expenses (Continued)

(a) Directors' and supervisors' remuneration (Continued)

Note:

(i) These non-executive directors and supervisors of the Company received emoluments for their services from the related parties. No apportionment has been made as these directors and supervisors of the Company consider it is impractical to apportion their emoluments between the Group and the related parties according to their services provided.

(ii) Mr. GU Xiaomin resigned from position as executive director of the Company with effect from 6 December 2023.

(iii) Mr. TANG Yongbo was appointed as non-executive director of the Company on 16 June 2023.

(iv) In addition to the supervisors' remuneration in the table, as approved by the board of directors, a special bonus amounted to RMB460 thousand and RMB484 thousand in 2023 was paid to Ms. FAN Xiaoqing and Mr. WANG Hongwei respectively by the Company for their past performance.

(v) The remuneration of all directors and supervisors was calculated based on their respective actual terms of office within this year.

(b) Senior management's remuneration

The senior management of the Group had nine members. For the year ended 31 December 2024, two of them were directors whose remuneration is disclosed in Note 7(a).

The emoluments fell within the following bands:

	Year ended 31 December	
	2024	2023
Emolument bands (in RMB)	**Numbers**	Numbers
RMB 1,000,001 to RMB 1,500,000	**5**	–
RMB Nil to RMB 1,000,000	**4**	7

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7 Employee benefits and expenses (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group in 2024 include Nil (2023: Nil) director. The emoluments payable to the remaining 5 highest paid (2023: 5) individuals in 2024 are as follows:

	Year ended 31 December	
	2024	2023
	RMB thousand	RMB thousand
Salaries, allowances	**4,288**	4,717
Bonuses	**3,105**	3,103
Contribution to pension scheme	**832**	806
Social insurance, housing fund	**399**	395
	8,624	9,021

The emoluments fell within the following bands:

	Year ended 31 December	
	2024	2023
Emolument bands (in RMB)	**Numbers**	Numbers
RMB2,000,001 to RMB2,500,000	**–**	–
RMB1,500,001 to RMB2,000,000	**5**	5
RMB1,000,001 to RMB1,500,000	**–**	–

8 Site operation and support expenses

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Site usage expenses	**1,376**	1,456
IT service charge	**1,965**	1,762
Costs of site power supply using diesel oil generation	**1,284**	1,489
Others	**879**	686
	5,504	5,393

9 Other operating expenses

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Technical support charges (Note (i))	**3,915**	3,637
(Gains)/losses on write-off/disposal of property and equipment	**(541)**	378
Utilities in other business operation (Note (ii))	**754**	704
Credit loss allowance	**1,445**	869
Marketing expenses	**782**	775
Property management expenses and utilities	**537**	494
Cost of equipment lease and sold	**792**	756
Other taxes and surcharges	**392**	393
Impairment of assets	**15**	18
Auditors' remuneration	**8**	7
Others	**1,045**	782
	9,144	8,813

Note:

(i) Technical support charges mainly are payments made to third-party service providers for building platforms for customers in Smart Tower business and Energy business, in which the Group was a primary obligator.

(ii) Utilities in other business operation incurred are mainly for providing battery exchange services and battery recharge services in Energy business.

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10 Other gains, net

	Year ended 31 December 2024 RMB million	2023 RMB million
Additional deduction of input VAT	**168**	976
Exchange loss	**(36)**	(59)
Others	**233**	197
	365	1,114

11 Finance costs

	Year ended 31 December 2024 RMB million	2023 RMB million
Interest expense on borrowings	**1,559**	1,694
Interest expense on lease liabilities (Note 16)	**1,169**	1,233
Less: Amounts capitalised in CIP	**(89)**	(100)
	2,639	2,827

12 Income tax expenses

The Company and its subsidiaries file the PRC enterprise income tax on a consolidated basis with their provincial branches. The provision for the PRC enterprise income tax is based on the applicable tax rate on the estimated taxable profits determined in accordance with the relevant enterprise income tax rules and regulations of the PRC.

Taxation in the consolidated statement of comprehensive income represents:

	Year ended 31 December 2024 RMB million	2023 RMB million
Current tax		
Current tax on estimated taxable profits for the year	**3,799**	3,360
Deferred tax (Note 17)		
Origination/Reversal of temporary differences	**(410)**	(278)
Income tax expenses	**3,389**	3,082

12 Income tax expenses (Continued)

Reconciliation between tax expenses and accounting profit at applicable tax rates:

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Profit before taxation	**14,119**	12,832
Tax at PRC statutory tax rate of 25%	**3,530**	3,208
Tax effect of preferential tax rate (Note)	**(208)**	(201)
Tax effect of non-deductible expenses	**97**	105
Others	**(30)**	(30)
Income tax expenses	**3,389**	3,082

Note:

The Group's PRC statutory income tax rate is 25%.

According to the circular of "Continuing to Implement Preferential Corporate Income Tax Policies for Western Development" (Ministry of Finance announcement [2020] No. 23) issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission and relevant PRC enterprise income tax regulations, branches that are qualified and located in certain western provinces of mainland China are entitled to a preferential income tax rate of 15%. Certain provincial branches of the Group obtained the approval were entitled to this preferential income tax rate of 15% until the end of 2030.

According to the notice of "Concerning Preferential Enterprise Income Tax Policies of Hainan Free Trade Port" (Caishui [2020] No. 31) and "Concerning Continued Preferential Enterprise Income Tax Policies of Hainan Free Trade Port" (Caishui [2025] No. 3) issued by the Ministry of Finance and the State Administration of Taxation, Hainan Province branch is entitled to a preferential income tax rate of 15% after obtaining the approval until the end of 2027.

According to the circular of "Implementation of Preferential Enterprise Income Tax Policies for High-tech Enterprises" (The State Administration of Taxation [2017] No. 24) issued by the State Administration of Taxation and relevant PRC enterprise income tax regulations, the Company's subsidiary Smart Tower Corporation Limited is qualified and entitled to a preferential tax rate of 15% for high-tech enterprises. Smart Tower Corporation Limited obtained the certificate of high-tech enterprises which is valid until 31 December 2027.

13 Basic and diluted earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years, excluding the shares held for the restricted share incentive scheme.

In addition, the weighted average number of ordinary shares in issue throughout the reporting periods presented has been adjusted retrospectively for the impact of the Share Consolidation and Capital Reduction that became effective on 20 February 2025 (Note 31(b)).

	Year ended 31 December	
	2024	2023 *(restated)*
Profit attributable to owners of the Company (RMB million)	**10,729**	9,750
Weighted average number of ordinary shares in issue, after adjusting for the Share Consolidation and Capital Reduction (million)	**17,481**	17,481
Basic earnings per share (in RMB Yuan)	**0.6138**	0.5578

(b) Diluted

Diluted earnings per share for the years ended 31 December 2024 and 2023 were computed by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the years, after adjusting for the effects of the dilutive potential ordinary shares. There were no dilutive potential ordinary shares for the years ended 31 December 2024 and 2023 as all restricted shares granted before were forfeited in 2022. Therefore, the diluted earnings per share was the same as basic earnings per share.

14 Property, plant and equipment

	Buildings RMB million	Towers, DAS and ancillary facilities RMB million	Equipment RMB million	Office facilities, furniture, transportation and others RMB million	Total RMB million
Year ended 31 December 2023					
Cost:					
Opening balance	11,415	343,154	79,729	2,198	436,496
Transfer from CIP	17	17,352	11,122	176	28,667
Additions	1,017	287	1,210	337	2,851
Disposals	–	(3,960)	(5,326)	(24)	(9,310)
Closing balance	12,449	356,833	86,735	2,687	458,704
Accumulated depreciation and impairment:					
Opening balance	(821)	(171,214)	(53,903)	(1,181)	(227,119)
Charge for the year	(392)	(27,926)	(8,811)	(325)	(37,454)
Disposals	–	2,677	4,711	23	7,411
Closing balance	(1,213)	(196,463)	(58,003)	(1,483)	(257,162)
Closing net book amount	11,236	160,370	28,732	1,204	201,542

14 Property, plant and equipment (Continued)

	Buildings RMB million	Towers, DAS and ancillary facilities RMB million	Equipment RMB million	Office facilities, furniture, transportation and others RMB million	Total RMB million
Year ended 31 December 2024					
Cost:					
Opening balance	12,449	356,833	86,735	2,687	458,704
Transfer from CIP	–	17,753	11,003	418	29,174
Additions	731	87	702	287	1,807
Disposals	–	(2,610)	(5,468)	(35)	(8,113)
Closing balance	13,180	372,063	92,972	3,357	481,572
Accumulated depreciation and impairment:					
Opening balance	(1,213)	(196,463)	(58,003)	(1,483)	(257,162)
Charge for the year	(424)	(28,856)	(8,856)	(401)	(38,537)
Disposals	–	1,991	4,872	34	6,897
Closing balance	(1,637)	(223,328)	(61,987)	(1,850)	(288,802)
Closing net book amount	11,543	148,735	30,985	1,507	192,770

15 Construction in progress

As at 31 December 2024, construction in progress mainly include towers and DAS projects under construction and installation.

	Year ended 31 December 2024 RMB million	2023 RMB million
Balance at 1 January	**12,313**	12,339
Additions	**29,579**	28,641
Transferred to property, plant and equipment	**(29,174)**	(28,667)
Balance at 31 December	**12,718**	12,313

16 Lease

(a) The consolidated statement of financial position shows the following amounts relating to leases where the Group is a lessee:

	Sites RMB million	Buildings RMB million	Land use rights RMB million	Total RMB million
Right-of-use assets:				
As at 1 January 2023	85,287	996	1,356	87,639
Additions	10,845	536	10	11,391
Termination of lease contracts	(3,488)	(216)	(3)	(3,707)
As at 31 December 2023	92,644	1,316	1,363	95,323
Accumulated depreciation:				
As at 1 January 2023	(55,234)	(568)	(259)	(56,061)
Charge for the year	(11,127)	(262)	(45)	(11,434)
Write-off upon termination of lease contracts	3,056	198	1	3,255
As at 31 December 2023	(63,305)	(632)	(303)	(64,240)
Closing net book amount:				
As at 31 December 2023	29,339	684	1,060	31,083

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16 Lease (Continued)

(a) The consolidated statement of financial position shows the following amounts relating to leases where the Group is a lessee: (Continued)

	Sites RMB million	Buildings RMB million	Land use rights RMB million	Total RMB million
Right-of-use assets:				
As at 1 January 2024	92,644	1,316	1,363	95,323
Additions	13,032	322	5	13,359
Termination of lease contracts	(3,935)	(334)	(4)	(4,273)
As at 31 December 2024	101,741	1,304	1,364	104,409
Accumulated depreciation:				
As at 1 January 2024	(63,305)	(632)	(303)	(64,240)
Charge for the year	(11,076)	(263)	(48)	(11,387)
Write-off upon termination of lease contracts	3,171	292	2	3,465
As at 31 December 2024	(71,210)	(603)	(349)	(72,162)
Closing net book amount:				
As at 31 December 2024	30,531	701	1,015	32,247

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Lease Liabilities		
– Current	7,378	6,864
– Non-current	15,555	14,647
	22,933	21,511

16 Lease (Continued)

(b) The consolidated statement of comprehensive income shows the following amounts relating to leases where the Group is a lessee:

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Depreciation charge of right-of-use assets	**11,387**	11,434
Interest expense	**1,169**	1,233
Expense relating to short-term leases and low-value leases	**1,074**	1,091

(c) The total cash payment of principal and interest of lease liabilities for the year ended 31 December 2024 was RMB10,896 million (2023: RMB10,470 million).

(d) The Group's leasing activities:

The Group mainly leases buildings and site properties for its telecommunication towers (as lessee). Lease contracts of buildings and site properties are typically made for periods of 3 to 10 years, and generally do not have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Substantially all of the lease contracts held by the Group are with fixed lease payment.

17 Deferred income tax assets

The analysis of deferred tax assets is as follows:

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Deferred tax assets:		
– Deferred tax asset to be recovered after more than 12 months	**929**	890
– Deferred tax asset to be recovered within 12 months	**1,689**	1,318
	2,618	2,208

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17 Deferred income tax assets (Continued)

The movement in deferred income tax assets before elimination with deferred income tax liabilities during the years ended 31 December 2024 and 2023 are as follows:

	Accrued expenses RMB million	Deferred government grants RMB million	Credit loss allowance and impairment of asset RMB million	Right-of-use assets RMB million	Lease liabilities RMB million	Employee defined benefit obligations RMB million	Total RMB million
Deferred tax arising from:							
At 1 January 2023	814	41	429	(7,620)	8,255	11	1,930
Credited to profit or loss	72	15	187	114	(109)	(1)	278
At 31 December 2023	886	56	616	(7,506)	8,146	10	2,208
Credited to profit or loss	47	(5)	348	(302)	322	–	410
At 31 December 2024	933	51	964	(7,808)	8,468	10	2,618

For the years ended 31 December 2024 and 2023, there were no unrecognised deferred tax assets in respect of the deductible temporary differences and unused tax losses.

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18 Subsidiaries

As at 31 December 2024, the details of the Company's main subsidiaries are:

Name of company	Place of incorporation and kind of legal entity	Particulars of issued and paid-up capital	Ownership interests held by the Company	Principal activity and place of operation
Southeast Asia Tower Company Limited (Note)	The Lao People's Democratic Republic; Limited liability company	USD1.50 million	70%	Telecommunication tower infrastructure business in Laos
Smart Tower Corporation Limited	The People's Republic of China; Limited liability company	RMB319.60 million	100%	Integrated information services in China
Energy Tower Corporation Limited	The People's Republic of China; Limited liability company	RMB5,000.00 million	100%	Power generation and energy storage services in China
Beijing Keta Enterprise Management Corporation Limited	The People's Republic of China; Limited liability company	RMB1,037.90 million	100%	Enterprise management consulting and property management in China

Note:

As at and for the year ended 31 December 2024, the non-controlling interests in Southeast Asia Tower Company Limited was not material.

19 Trade and other receivables

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Trade receivables (Note (a))	83,570	67,543
Allowance for expected credit losses	(4,134)	(2,706)
Trade receivables – net	79,436	64,837
Deposits (Note (b)(ii))	1,872	1,228
Payments on behalf of customers (Note (b)(i))	4,600	5,518
Others	–	103
Allowance for expected credit losses	(1)	(1)
Other receivables – net	6,471	6,848
Trade and other receivables	85,907	71,685

As at 31 December 2024 and 2023, trade and other receivables were primarily denominated in RMB and their carrying amounts approximated their fair values.

19 Trade and other receivables (Continued)

(a) Trade receivables

Aging analysis of the Group's gross trade receivables based on the billing, as at the end of the reporting period, are as follows:

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
1 to 3 months	45,726	32,918
3 to 6 months	15,196	14,375
6 months to 1 year	11,580	12,954
1 year to 3 years	9,736	6,301
Over 3 years	1,332	995
	83,570	67,543

Trade receivables are analysed by customers:

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
CMCC Group	39,665	34,869
CUC Group	19,796	16,111
CTC Group	12,419	8,390
Others	11,690	8,173
	83,570	67,543

As at 31 December 2024, acceptance notes issued by banks and other finance companies, and commercial acceptance bills included in trade receivables were RMB6,119 million and RMB29,417 million, respectively (2023: RMB5,945 million and RMB18,922 million, respectively).

(b) Other receivables

(i) Payments on behalf of customers mainly represent the payments made by the Group on behalf of the Three TSPs to their suppliers for certain sites electric power charges when the Group provides the services of power access to its customers and acts as an agent. Such customers usually make payment to the Group within 1-3 months.

(ii) Deposits primarily include deposits for site ground lease, office premises lease, and equipment purchase. They are considered to be of low credit risk. The expected credit losses are not material.

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

20 Prepayments and other current assets

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Advance prepayments (Note)	1,912	1,557
Input VAT recoverable	939	878
Others	4	8
	2,855	2,443

Note:

As at 31 December 2024, advance payments mainly represents prepaid rentals to the lessor for short-term leases and low-value leases under IFRS 16, and prepayment of electric powers charges of certain tower sites.

21 Cash and cash equivalents

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Cash at bank and on hand		
– RMB	2,410	3,932
– HKD	185	17
– USD	2	5
– LAK	1	1
	2,598	3,955

22 Capital, reserves and dividends

(a) Share capital

Registered, issued and fully paid:

	Year ended 31 December			
	2024		2023	
	Number of ordinary shares (million)	Share capital (RMB million)	Number of ordinary shares (million)	Share capital (RMB million)
At the beginning of year	176,008	176,008	176,008	176,008
At the end of year (RMB1.00, par value)	176,008	176,008	176,008	176,008

Note:

After adjusting for the Share Consolidation and Capital Reduction which has become effective on 20 February 2025 (Note 31(b)), the total shares issued by the Company have changed from 176,008,471,024 shares to 17,600,847,102 shares, and the total issued share capital of the Company has been reduced from RMB176,008,471,024 to RMB17,600,847,102.

(b) Movements in reserves

	Note	Share premium RMB million	Statutory reserves RMB million (Note)	Shares held under restricted share incentive scheme RMB million	Share based compensation reserves RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million
As at 1 January 2023		3,694	2,735	(1,954)	–	(1)	13,109	17,583
Total comprehensive income for the year		–	–	–	–	–	9,756	9,756
Dividends paid	22(c)	–	–	–	–	–	(5,653)	(5,653)
Transfer to statutory reserves		–	977	–	–	–	(977)	–
As at 31 December 2023		3,694	3,712	(1,954)	–	(1)	16,235	21,686
Total comprehensive income for the year		–	–	–	–	(3)	10,729	10,726
Dividends paid	22(c)	–	–	–	–	–	(8,442)	(8,442)
Transfer to statutory reserves		–	1,070	–	–	–	(1,070)	–
As at 31 December 2024		3,694	4,782	(1,954)	–	(4)	17,452	23,970

Note:

Pursuant to Company's Articles of Association and the Company Law of the PRC, the Company and its subsidiaries are required to appropriate 10% of each year's net profit (after offsetting previous years' losses) to statutory reserves, until such reserve balance reaches 50% of the registered capital of the Company and its subsidiaries.

The statutory reserves can be used to cover previous years' losses, if any, and may be converted into paid-up capital, provided that the reserves after such conversion is not less than 25% of the registered capital of the Company and its subsidiaries.

22 Capital, reserves and dividends (Continued)

(c) Dividends

(i) Dividends declared

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Ordinary shares:		
Final dividend declared for the year ended 31 December 2023 of RMB0.03739 (2022: RMB0.03232) and interim dividend declared for the six months ended 30 June 2024 of RMB0.01090 per ordinary share	**8,442**	5,653

Shares held under the restricted share incentive scheme as disclosed in Note 22(d) are not entitled to dividend.

The dividend per ordinary share for the six months ended 30 June 2024 and for the years ended 31 December 2023 and 2022 above were calculated based on the number of ordinary shares of 176,008,471,024 shares (before the Share Consolidation and Capital Reduction as disclosed in Note 31(b)).

(ii) Dividends proposed and not recognised as liabilities at the end of reporting period

On 17 March 2025, the Board of Directors of the Company proposed to the shareholders a final dividend of RMB0.30796 per ordinary share for the year ended 31 December 2024, which was calculated based on the number of ordinary shares of 17,600,847,102 shares (after the Share Consolidation and Capital Reduction as disclosed in Note 31(b)), approximately RMB5,384 million in total. As the final dividend is declared after the end of the reporting period, such dividend is not recognised as liability as at 31 December 2024.

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Dividends not recognised at the end of reporting period:		
Proposed final dividend after the end of the reporting periods: RMB0.30796 per ordinary share (after the Share Consolidation and Capital Reduction) (2023: RMB0.03739 per ordinary share (before the Share Consolidation and Capital Reduction)/ RMB0.37390 per ordinary share (after the Share Consolidation and Capital Reduction))	**5,384**	6,536

22 Capital, reserves and dividends (Continued)

(d) Shares held under restricted share incentive scheme

At the Company's Annual General Meeting held on 18 April 2019, the Company's shareholders approved the adoption of a restricted share incentive scheme (the "**Scheme**") with a duration of 10 years. As instructed by the Board, a trust entity (the "**Trustee**") was appointed to acquire certain numbers of H share from the secondary market for the Scheme.

Pursuant to the Scheme, the Company granted certain restricted shares to qualified participants ("**Scheme Participants**") during the year of 2019 as initial grant, which were subject to fulfilment of performance and service conditions. As at 31 December 2024 and 2023 all of the restricted shares granted under initial grant were forfeited and no active restricted share incentive scheme was implemented.

Shares held under restricted share incentive scheme are shown below:

	As at 31 December 2024		As at 31 December 2023	
	Number of shares (million)	Shares held under restricted share incentive scheme (RMB million)	Number of shares (million)	Shares held under restricted share incentive scheme (RMB million)
Shares held under restricted share incentive scheme	**1,196**	**1,954**	1,196	1,954

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

23 Borrowings

(a) Borrowings

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Borrowings:		
Long-term borrowings		
– General borrowings (Note (i))	61,644	57,196
– Preferential Borrowings (Note (i))	225	1,785
– Medium-term notes (Note (iii))	–	4,042
Sub-total	61,869	63,023
Less: Current portion	(20,785)	(13,694)
Balance presented in non-current liabilities:	41,084	49,329
Short-term borrowings:		
Short-term loans (Note (ii))	3,001	8,496
Long-term borrowings – Current portion	20,785	13,694
Discounted notes (Note (iii))	4,739	1,596
Balance presented in current liabilities:	28,525	23,786

Note:

(i) General borrowings are unsecured long-term borrowings obtained from commercial banks.

In 2015 and 2016, the Group obtained unsecured long-term RMB denominated loans from China Development Bank via China Development Fund Co., Ltd. (the "**Preferential Borrowings**") at a preferential interest rate, as the government granted a loan interest subsidy to the Group. The Preferential Borrowings mature in 10 years and are mainly used for telecommunications network and broadband infrastructure improvements in certain rural areas of the PRC.

The Group initially recognised the Preferential Borrowings at fair value based on the then prevailing borrowing interest rates in the PRC. The interest subsidy was recognised as a government grant and recorded in deferred government grants, which was amortised to the consolidated statement of comprehensive income to match with the related interest expenses.

For the year ended 31 December 2024, the effective interest rates of all long-term borrowings were 1.35% to 4.41% per annum (2023: 1.85% to 4.41% per annum).

23 Borrowings (Continued)

(a) Borrowings (Continued)

Note: (Continued)

(ii) As at 31 December 2024, all of the balances of short-term loans are borrowings obtained from commercial banks in the PRC.

For the year ended 31 December 2024, all short-term loans are unsecured and bear interest rate at 2.27% per annum (2023: from 2.20% to 2.35% per annum).

(iii) As at 31 December 2024, the discounted notes arose from the bills receivable discounted but not yet matured, which did not result in derecognition but were recognised as borrowings when the consideration received, amounted to RMB4,739 million (2023: RMB1,596 million).

(iv) From time to time, the Company publicly issued unsecured medium-term notes in the China's Interbank Bond Market. The details of which are shown below:

Issue Date	Principal Amount (RMB million)	Paper titles	Period	Annual interest rate	Carrying amount as at 31 December 2024 (RMB million)	Carrying amount as at 31 December 2023 (RMB million)
27 August 2021	**2,000**	Medium-Term Note 001	3 years	3.05%	–	2,021
30 August 2021	**2,000**	Medium-Term Note 002	3 years	3.07%	–	2,021
Total	**4,000**				–	4,042

As at 31 December 2024, the medium-term notes were matured and repaid.

(b) The repayment schedule of the borrowings

As at 31 December 2024 and 2023, borrowings are repayable as follows:

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Within 1 year	**28,525**	23,786
Between 1 and 2 years	**31,058**	20,467
Between 2 and 5 years	**10,026**	28,862
	69,609	73,115

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

24 Deferred government grants

	As at 31 December 2023	Addition	Recognised in consolidated statement of comprehensive income	As at 31 December 2024
Preferential Borrowings (Note 23(a)(i))	42	–	(39)	**3**
Other government grants	326	145	(94)	**377**
Total	368	145	(133)	**380**

25 Accounts payable

Accounts payable primarily include payables for construction expenditures, repairs and maintenance and other operation expenditures. Accounts payable are unsecured, non-interest bearing and are repayable in accordance with contractual terms. Accounts payable are primarily denominated in RMB. Their carrying amounts approximate their fair values due to their short-term maturities.

The aging analysis of accounts payable is based on the invoice date as follows:

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Within 6 months	**24,418**	23,127
6 months to 1 year	**4,095**	2,675
Over 1 year	**4,756**	2,484
	33,269	28,286

26 Accrued expenses and other payables

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Contract liabilities (Note)	**3,987**	2,535
Deposits from vendors	**974**	1,158
Accrued expenses	**445**	410
Salary and welfare payables	**467**	375
Other tax payables	**407**	347
	6,280	4,825

Note:

Contract liabilities primarily relate to the considerations received from customers before the Group satisfying performance obligations from Smart Tower business and Energy business. It would be recognised as revenue upon the rendering of services. Most of the contract liability balance as at 31 December 2023 was recognised as revenue for the year ended 31 December 2024.

27 Cash generated from operating activities and financing activities

(a) Reconciliation of profit before income taxation to net cash generated from operations:

	Year ended 31 December	
	2024	2023
	RMB million	RMB million
Profit before taxation	**14,119**	12,832
Adjustments for:		
– Expected credit impairment losses (Note 9)	**1,445**	869
– Impairment of asset (Note 9)	**15**	18
– Depreciation and amortisation (Note 14 and 16)	**50,229**	49,049
– Net (gain)/loss on disposal and write-off of property, plant and equipment (Note 9)	**(541)**	378
– Interest income	**(63)**	–
– Finance costs (Note 11)	**2,639**	2,827
– Net exchange loss	**1**	1
– Others	**(2)**	–
Operating cash flow before changes in working capital	**67,842**	65,974
– Increase in trade and other receivable	**(17,377)**	(30,293)
– Increase in prepayments and other current assets	**(412)**	(114)
– Increase in accounts payable	**1,721**	988
– Increase/(decrease) in accrued expenses and other payables	**1,237**	(358)
Cash generated from operations	**53,011**	36,197

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

27 Cash generated from operating activities and financing activities (Continued)

(b) In the consolidated statement of cash flows, proceeds from sale of property and equipment comprise:

	Year ended 31 December 2024 RMB million	2023 RMB million
Net book amount	1,269	1,951
Gains/(losses) on write-off/disposal of property and equipment	541	(378)
Proceeds from disposal of property and equipment	1,810	1,573

(c) Net debt reconciliation for liabilities arising from financing activities:

Net Debt	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Cash and cash equivalents	2,598	3,955
Borrowings – repayable within one year	(28,525)	(23,786)
Borrowings – repayable after one year	(41,084)	(49,329)
Lease liabilities	(22,933)	(21,511)
	(89,944)	(90,671)

Net Debt	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Cash and cash equivalents	2,598	3,955
Gross debt – fixed interest rates	(44,724)	(45,014)
Gross debt – variable interest rates	(47,818)	(49,612)
	(89,944)	(90,671)

27 Cash generated from operating activities and financing activities (Continued)

(c) Net debt reconciliation for liabilities arising from financing activities: (Continued)

	Liabilities from financing activities		
	Borrowing	**Lease liabilities**	**Total**
	RMB million	RMB million	RMB million
Net debt as at 1 January 2023	(57,045)	(22,074)	(79,119)
Cash flows, net	(15,997)	10,470	(5,527)
Foreign exchange adjustments	–	–	–
Non-cash movement:			
– Lease liabilities (Note)	–	(9,509)	(9,509)
– Interest expense	(73)	(1,233)	(1,306)
– Early termination of lease contract	–	835	835
Net debt as at 31 December 2023	(73,115)	(21,511)	(94,626)
Cash flows, net	**1,905**	**10,896**	**12,801**
Foreign exchange adjustments	**–**	**–**	**–**
Non-cash movement:			
– Lease liabilities (Note)	**–**	**(12,152)**	**(12,152)**
– Interest expense	**5**	**(1,169)**	**(1,164)**
– Early termination of lease contract	**–**	**1,003**	**1,003**
– Matured commercial acceptance bills which were discounted but not derecognised last year	**1,596**	**–**	**1,596**
Net debt as at 31 December 2024	**(69,609)**	**(22,933)**	**(92,542)**

Note:

The Group recorded an addition of right-of-use assets with the corresponding of lease liabilities amounting to approximately RMB12,152 million for the year ended 31 December 2024 (2023: RMB9,509 million).

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

28 Commitments

(a) Capital commitments

As at 31 December 2024 and 2023, the Group had capital commitments for construction expenditures and acquisition of properties as follows:

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Authorised and contracted for:		
Within 1 year	2,245	1,007

(b) Non-cancellable leases payment related to short-term lease and low-value lease

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
No later than 1 year	448	344

29 Statement of financial position and reserve movement of the Company

Statement of financial position of the Company

	As at 31 December	
	2024 RMB million	2023 RMB million
Assets		
Non-current assets		
Property, plant and equipment	187,147	196,406
Construction in progress	11,896	11,570
Right-of-use assets	32,262	31,170
Deferred income tax assets	2,469	2,095
Other non-current assets	1,067	749
Investment in subsidiaries and an associate	6,829	6,727
	241,670	248,717
Current assets		
Trade and other receivables	87,498	74,462
Prepayments and other current assets	2,425	2,167
Cash and cash equivalents	2,105	3,337
	92,028	79,966
Total assets	333,698	328,683

29 Statement of financial position and reserve movement of the Company (Continued)

	Note	As at 31 December 2024 RMB million	2023 RMB million
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	22(a)	**176,008**	176,008
Reserves	29(a)	**24,024**	21,742
Total equity		**200,032**	197,750
Liabilities			
Non-current liabilities			
Borrowings		**41,077**	49,308
Lease liabilities		**15,618**	14,769
Deferred government grants		**377**	365
Employee benefit obligations		**37**	35
		57,109	64,477
Current liabilities			
Borrowings		**28,522**	23,786
Lease liabilities		**7,400**	6,891
Accounts payable		**32,627**	28,616
Accrued expenses and other payables		**7,696**	7,006
Current income tax payable		**312**	157
		76,557	66,456
Total liabilities		**133,666**	130,933
Total equity and liabilities		**333,698**	328,683

The Statement of financial position of the Company was approved by the Board of Directors on 17 March 2025 and was signed by the following directors on its behalf:

ZHANG Zhiyong	**CHEN Li**
Director	Director

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

29 Statement of financial position and reserve movement of the Company (Continued)

(a) Reserve movement of the Company

	Note	Share premium RMB million	Statutory reserves RMB million	Shares held under restricted share incentive scheme RMB million	Share based compensation reserves RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million
At 1 January 2023		3,694	2,735	(1,954)	–	(1)	13,176	17,650
Profit for the year		–	–	–	–	–	9,739	9,739
Other comprehensive income		–	–	–	–	–	6	6
Dividends	22(c)	–	–	–	–	–	(5,653)	(5,653)
Transfer to statutory reserves		–	974	–	–	–	(974)	–
At 31 December 2023		3,694	3,709	(1,954)	–	(1)	16,294	21,742
Profit for the year		–	–	–	–	–	10,727	10,727
Other comprehensive income		–	–	–	–	(3)	–	(3)
Dividends	22(c)	–	–	–	–	–	(8,442)	(8,442)
Transfer to statutory reserves		–	1,073	–	–	–	(1,073)	–
At 31 December 2024		3,694	4,782	(1,954)	–	(4)	17,506	24,024

30 Related party transactions

CMCC Group, CUC Group and CTC Group are considered as the Group's related parties.

(a) Significant transactions with related parties

	Note	Year ended 31 December 2024 RMB million	2023 RMB million
Provision of Tower business, DAS and other services	(i)	**84,757**	82,748
Purchases of various goods and services	(ii)	**8,648**	8,712
Rental charges for property and site ground lease	(iii)	**388**	381
Payments on behalf of related parties	(iv)	**32,135**	31,067
Proceeds from payments on behalf of related parties	(iv)	**33,101**	30,049

Note:

(i) Provision of Tower business, DAS and other services

The provision of the Tower business and DAS is based on the agreed terms in the Commercial Pricing Agreements and supplemental agreements signed by the Company and the Telecom Shareholders and set out in the provincial service agreements between the provincial branches of the Company and the provincial subsidiaries/branches of the Telecom Shareholders.

The Company completed the signing arrangement of the 2023-2027 Service Framework Agreements including provincial service agreements for a term of five years from 1 January 2023 to 31 December 2027 with each of the Telecom Shareholders and their respective ranches/subsidiaries during 2023.

Besides, the Group also provides Smart Tower business, Energy business and other services to CMCC Group, CUC Group and CTC Group, respectively.

(ii) Purchases of various goods and services

The Group purchases certain equipment, engineering design services, construction and supervision services, maintenance services, communications and IT services from CMCC Group, CUC Group and CTC Group. The transaction prices are mainly determined through mutual negotiation which are fair and reasonable.

(iii) Rental charges for property and site ground lease

The Group leases certain properties, site ground and warehouses from CMCC Group, CUC Group and CTC Group. On the adoption of IFRS 16, the Group recognises right-of-use assets and lease liabilities for leases in the statement of financial position, except for short-term leases and low-value leases.

For the year ended 31 December 2024, rental charges for property and site ground lease include short-term leases and low-value leases charges for use of property and site ground, the depreciation of the right-of-use assets, and the finance cost associated with the lease liabilities in relation to the aforementioned leasing arrangements with CMCC Group, CUC Group and CTC Group.

(iv) Payments on behalf of related parties

As mentioned in Note 19(b)(i), the Group paid certain sites electric power charges to electricity power companies or third parties, on behalf of the Three TSPs.

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

30 Related party transactions (Continued)

(b) Key management compensation

The remuneration of key management personnel is as follows:

	Year ended 31 December	
	2024	2023
	RMB thousand	RMB thousand
Salaries, allowances and bonuses	**6,622**	4,285
Contributions relating to social insurance and housing fund	**755**	720
Retirement benefits	**1,185**	1,261
	8,562	6,266

The key management of the Group had 10 members for the year ended 31 December 2024 (2023: 8 members).

The remuneration of all key management were calculated based on their respective actual terms of office within this year.

(c) Balances with related parties

(i) Amount due from related parties

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Trade and other receivables	**76,639**	65,749
Prepayments and other current assets	**171**	90
Right-of-use assets	**409**	410

(ii) Amount due to related parties

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Accounts Payable	**5,549**	4,585
Accrued expense and other payable	**501**	354
Lease liabilities	**367**	360

Except for lease liabilities, the balances of amount due from/to related parties are unsecured, non-interest bearing and repayable on demand.

30 Related party transactions (Continued)

(d) Transactions with other state-owned entities in the PRC

The Group is a government-related enterprise and operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government through government authorities, agencies, affiliations and other organization (collectively referred to as "**government-related entities**"). Apart from transactions with CMCC Group, CUC Group and CTC Group (Note 30(a)), the Group has collectively, but not individually, significant transactions with other government-related entities, which include but not limited to the following:

- provisioning of Smart Tower services and Energy business;
- rendering or receiving other services, such as construction services, logistics, transportation and maintenance services, etc.;
- purchasing of goods and services, including use of public utilities;
- placing of bank deposits, obtaining bank borrowings;
- leasing office premises or tower sites.

These transactions are conducted in the ordinary course of the Group's business based on terms comparable with the terms of transactions with other entities that are not government-related. The Group prices its services and products with the counterparties based on commercial negotiations. The Group has also established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

31 Events after the reporting period

(a) Dividend

On 17 March 2025, the Board of Directors proposed a final dividend for the year ended 31 December 2024. Further details are disclosed in Note 22(c).

(b) Share Consolidation and Capital Reduction

On 21 November 2024, the Board announced its proposal to implement the share consolidation and capital reduction on the basis that (i) every ten (10) existing shares with a par value of RMB1.00 each be consolidated into one (1) consolidated and reduced share with a par value of RMB1.00 each; and (ii) the total issued share capital of the Company be reduced from RMB176,008,471,024 to RMB17,600,847,102 (the "**Share Consolidation and Capital Reduction**").

On 23 December 2024, the resolution in relation to the Share Consolidation and Capital Reduction was duly passed at the extraordinary general meeting, the class meeting of the holders of H shares and the class meeting of the holders of domestic shares by the shareholders attending the respective shareholders' meetings.

The Share Consolidation and Capital Reduction has become effective on 20 February 2025, and the dealings in the consolidated and reduced H shares on the Hong Kong Stock Exchange has commenced on 20 February 2025.

Financial Summary

(Expressed in RMB unless otherwise indicated)

RESULTS

	2024 RMB million	2023 RMB million	2022 RMB million	2021 RMB million	2020 RMB million
Operating revenue	**97,772**	94,009	92,170	86,585	81,099
Operating expenses					
Depreciation and amortisation	**(50,229)**	(49,049)	(49,532)	(49,982)	(47,515)
Repairs and maintenance	**(6,992)**	(7,408)	(7,593)	(5,796)	(5,805)
Employee benefits and expenses	**(9,573)**	(8,844)	(7,940)	(6,875)	(6,115)
Other operating expenses	**(14,648)**	(14,206)	(13,793)	(10,897)	(9,652)
	(81,442)	(79,507)	(78,858)	(73,550)	(69,087)
Operating profit	**16,330**	14,502	13,312	13,035	12,012
Other gains, net	**365**	1,114	1,095	303	318
Interest income	**63**	43	124	22	36
Finance costs	**(2,639)**	(2,827)	(3,003)	(3,745)	(3,959)
Profit before income taxation	**14,119**	12,832	11,528	9,615	8,407
Income tax expense	**(3,389)**	(3,082)	(2,741)	(2,287)	(1,980)
Profit for the year	**10,730**	9,750	8,787	7,382	6,427
Profit attributable to:					
– Owners of the Company	**10,729**	9,750	8,787	7,329	6,428
– Non-controlling interests	**1**	–	–	(1)	(1)
Other comprehensive income for the year, net of tax	**(3)**	6	–	(1)	–
Total comprehensive income for the year	**10,727**	9,756	8,787	7,327	6,427
Total comprehensive income for the year attributable to:					
– Owners of the Company	**10,726**	9,756	8,787	7,328	6,428
– Non-controlling interests	**1**	–	–	(1)	(1)
	10,727	9,756	8,787	7,327	6,427

The Company has adopted the IFRS 16 "Lease" on 1 January 2019. The Group recognized right-of-use assets and lease liabilities for almost all leases, except for short-term leases and low-value leases in the balance sheet, recorded depreciation & amortisation and finance cost accordingly.

Financial Summary
(Expressed in RMB unless otherwise indicated)

ASSETS AND LIABILITIES

	31 December 2024 RMB million	31 December 2023 RMB million	31 December 2022 RMB million	31 December 2021 RMB million	31 December 2020 RMB million
Assets					
Non-current assets					
Property, plant and equipment	192,770	201,542	209,377	221,419	231,684
Right-of-use assets	32,247	31,083	31,578	32,877	34,553
Construction in progress	12,718	12,313	12,339	14,709	20,185
Deferred income tax assets	2,618	2,208	1,930	1,892	1,457
Other non-current assets	1,121	778	630	4,018	6,297
	241,474	247,924	255,854	274,915	294,176
Current assets					
Trade and other receivables	85,907	71,685	42,260	34,194	30,658
Prepayments and other current assets	2,855	2,443	2,329	7,679	7,504
Cash and cash equivalents	2,598	3,955	5,117	6,471	5,042
	91,360	78,083	49,706	48,344	43,204
Total assets	332,834	326,007	305,560	323,259	337,380
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	176,008	176,008	176,008	176,008	176,008
Reserves	23,970	21,686	17,583	13,346	10,237
Total equity attributable to owners of the Company	199,978	197,694	193,591	189,354	186,245
Non-controlling interests	1	–	–	–	1
Total equity	199,979	197,694	193,591	189,354	186,246

Financial Summary

(Expressed in RMB unless otherwise indicated)

	31 December 2024 RMB million	31 December 2023 RMB million	31 December 2022 RMB million	31 December 2021 RMB million	31 December 2020 RMB million
Liabilities					
Non-current liabilities					
Borrowings	**41,084**	49,329	31,448	41,572	27,121
Lease liabilities	**15,555**	14,647	14,947	15,677	16,745
Deferred government grants	**380**	368	376	436	602
Employee benefit obligations	**37**	35	40	38	31
	57,056	64,379	46,811	57,723	44,499
Current liabilities					
Borrowings	**28,525**	23,786	25,597	37,142	61,999
Lease liabilities	**7,378**	6,864	7,127	6,913	7,006
Accounts payable	**33,269**	28,286	26,646	25,264	31,460
Accrued expenses and other payables	**6,280**	4,825	5,510	6,342	5,752
Current income tax payable	**347**	173	278	521	418
	75,799	63,934	65,158	76,182	106,635
Total liabilities	**132,855**	128,313	111,969	133,905	151,134
Total equity and liabilities	**332,834**	326,007	305,560	323,259	337,380

Corporate Information

Company Name

China Tower Corporation Limited

Stock Code

Hong Kong Stock Exchange: 0788

Registered Office, Headquarters and Principal Place of Business in the PRC

Room 101, LG1 to 3/F
Building 14, North District
Yard No. 9, Dongran North Street
Haidian District, Beijing, PRC

Principal Place of Business in Hong Kong

Room 3401, 34/F, China Resources Building
26 Harbour Road
Wanchai, Hong Kong
Tel: (852) 2811 4566
Fax: (852) 2897 1266

Company's Website

www.china-tower.com

Board of Directors

Mr. Zhang Zhiyong *(Executive Director and Chairman of the Board)*
Mr. Chen Li *(Executive Director and General Manager)*
Mr. Tang Yongbo *(Non-executive Director)*
Mr. Liu Guiqing *(Non-executive Director)*
Mr. Fang Xiaobing *(Non-executive Director)*
Mr. Dong Chunbo *(Independent Non-executive Director)*
Mr. Hu Zhanghong *(Independent Non-executive Director)*
Mr. Sin Hendrick *(Independent Non-executive Director)*
Ms. Zhang Wei *(Independent Non-executive Director)*

Strategy Committee

Mr. Zhang Zhiyong *(Chairman)*
Mr. Chen Li
Mr. Tang Yongbo
Mr. Liu Guiqing
Mr. Fang Xiaobing

Remuneration and Appraisal Committee

Mr. Dong Chunbo *(Chairman)*
Mr. Tang Yongbo
Mr. Hu Zhanghong
Mr. Sin Hendrick
Ms. Zhang Wei

Nomination Committee

Mr. Zhang Zhiyong *(Chairman)*
Mr. Dong Chunbo
Mr. Hu Zhanghong
Mr. Sin Hendrick
Ms. Zhang Wei

Audit Committee

Ms. Zhang Wei *(Chairman)*
Mr. Liu Guiqing
Mr. Dong Chunbo
Mr. Hu Zhanghong
Mr. Sin Hendrick

Connected Transaction Committee

Mr. Hu Zhanghong *(Chairman)*
Mr. Chen Li
Mr. Fang Xiaobing
Mr. Dong Chunbo
Mr. Sin Hendrick
Ms. Zhang Wei

Supervisory Committee

Ms. Fan Xiaoqing *(Chairman of the Supervisory Committee and Employee Representative Supervisor)*
Ms. Cao Yingchun *(Shareholder Representative Supervisor)*
Mr. Li Zhangting *(Shareholder Representative Supervisor)*
Ms. Han Fang *(Shareholder Representative Supervisor)*
Ms. Li Tienan *(Shareholder Representative Supervisor)*
Mr. Wang Hongwei *(Employee Representative Supervisor)*

Secretary of the Board

Ms. Liu Qingzhou

Authorized Representatives

Mr. Zhang Zhiyong
Ms. Leung Suet Wing

Auditor

KPMG
Registered Public Interest Entity Auditor

H Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990
Email: hkinfo@computershare.com.hk

Definitions

In this annual report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"2018 AGM"	the annual general meeting of the Company held on 18 April 2019
"2022 AGM"	the annual general meeting of the Company held on 11 May 2023
"2022 Third EGM"	the extraordinary general meeting of the Company held on 30 December 2022
"2023 AGM"	the annual general meeting of the Company held on 20 May 2024
"2023 Second EGM"	the extraordinary general meeting of the Company held on 22 December 2023
"2024 AGM"	the annual general meeting of the Company to be held on 20 May 2025
"2024 First EGM"	the extraordinary general meeting of the Company held on 13 September 2024
"2024 Second EGM"	the extraordinary general meeting of the Company held on 23 December 2024
"2021-2023 Property Lease Framework Agreement with CMCC"	the property lease framework agreement dated 19 October 2020 (with revision of annual caps on 19 October 2021) between the Company and CMCC
"2021-2023 Property Lease Framework Agreement with CTC"	the property lease framework agreement dated 19 October 2020 between the Company and CTC
"2021-2023 Property Lease Framework Agreement with CUC"	the property lease framework agreement dated 19 October 2020 between the Company and CUC
"2021-2023 Site Resource Service Framework Agreement with CMCC"	the agreement dated 19 October 2020 entered into between the Company and CMCC in relation to the provision of site resource service by the Company to CMCC and its associates
"2021-2023 Service Supply Framework Agreement with CMCC"	the service supply framework agreement dated 19 October 2020 between the Company and CMCC
"2021-2023 Service Supply Framework Agreement with CTC"	the service supply framework agreement dated 19 October 2020 between the Company and CTC

"2021-2023 Service Supply Framework Agreement with CUC"	the service supply framework agreement dated 19 October 2020 between the Company and CUC
"2021-2023 Value-added Service Framework Agreement with CTC"	the value-added service framework agreement dated 19 October 2021 between the Company and CTC
"2022-2023 Materials Procurement Framework Agreement with CMCC"	the materials procurement framework agreement dated 24 December 2022 between the Company and CMCC
"2022-2023 Materials Procurement Framework Agreement with CTC"	the materials procurement framework agreement dated 19 October 2021 between the Company and CTC
"2022-2023 Transmission Resource and Cloud Resource Lease Framework Agreement with CMCC"	the transmission resource and cloud resource lease framework agreement dated 24 December 2022 between the Company and CMCC
"2023-2027 Commercial Pricing Agreement(s)"	three in total, one commercial pricing agreement entered into by the Company with each of the Telecom Shareholders, which set out the updated pricing of the products and the services provided by the Company to the Telecom Shareholders and their branches/subsidiaries
"2023-2027 Service Agreement(s)"	the agreement(s) between the Company and each of the Telecom Shareholders, in relation to providing relevant services of tower products, DAS products, transmission products and service products to the Telecom Shareholders and their branches/subsidiaries
"2023-2027 Service Framework Agreements"	six in total, including the 2023-2027 Commercial Pricing Agreements and the 2023-2027 Service Agreements between the Company and each of the Telecom Shareholders
"2024-2025 Value-added Service Framework Agreement with CUC"	the agreement dated 27 November 2023 between the Company and CUC in relation to the provision of value-added services by the Company to CUC and/or its associates
"2024-2026 Comprehensive Service Framework Agreement with CMCC"	the agreement dated 27 November 2023 between the Company and CMCC in relation to the provision of comprehensive services by the Company to CMCC and/or its associates
"2024-2026 Materials Procurement Framework Agreement with CTC"	the materials procurement framework agreement dated 27 November 2023 between the Company and CTC
"2024-2026 Property Lease Framework Agreement with CTC"	the property lease framework agreement dated 27 November 2023 between the Company and CTC

Definitions

"2024-2026 Property Lease Framework Agreement with CUC"	the property lease framework agreement dated 27 November 2023 between the Company and CUC
"2024-2026 Service Supply Framework Agreement with CTC"	the service supply framework agreement dated 27 November 2023 between the Company and CTC
"2024-2026 Service Supply Framework Agreement with CUC"	the service supply framework agreement dated 27 November 2023 between the Company and CUC
"2024-2026 Value-added Service Framework Agreement with CMCC"	the agreement dated 27 November 2023 between the Company and CMCC in relation to the provision of value-added services by the Company to CMCC and/or its associates
"2024-2026 Value-added Service Framework Agreement with CTC"	the agreement dated 27 November 2023 between the Company and CTC in relation to the provision of value-added services by the Company to CTC and/or its associates
"Articles of Association" or "Articles"	the articles of association of the Company, as amended from time to time
"Board"	the board of Directors of the Company
"CCS"	China Communications Services Corporation Limited (中國通信服務股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 552) and a non-wholly owned subsidiary of CTC as of the Financial Year End Date
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"China Mobile"	(i) China Mobile Limited (中國移動有限公司), a company listed on both the Hong Kong Stock Exchange (stock code: 941) and Shanghai Stock Exchange (stock code: 600941), which held the entire equity interest in China Mobile Company as of the Financial Year End Date, or (ii) one of the major telecommunications services providers in China, as the context may require
"China Mobile Company"	China Mobile Communication Company Limited (中國移動通信有限公司), a company which held 27.93% equity interest in the Company and was the single largest Shareholder as of the Financial Year End Date
"China Reform"	China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司), a company which indirectly held 4.41% equity interest in the Company as of the Financial Year End Date

"China Telecom"	(i) China Telecom Corporation Limited (中國電信股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 728) and Shanghai Stock Exchange (stock code: 601728), which held 20.50% equity interest in the Company as of the Financial Year End Date, or (ii) one of the major telecommunications services providers in China, as the context may require
"China Unicom"	(i) China Unicom (Hong Kong) Limited (中國聯合網絡通信(香港)股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 762), which held the entire equity interest in China Unicom Corporation as of the Financial Year End Date, or (ii) one of the major telecommunications services providers in China, as the context may require
"China Unicom Corporation"	China United Network Communications Corporation Limited (中國聯合網絡通信有限公司), a company which held 20.65% equity interest in the Company as of the Financial Year End Date
"China Unicom A Share Company"	China United Network Communications Limited (中國聯合網絡通信股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600050), in which CUC held 35.8% equity interest as of the Financial Year End Date
"CMCC"	China Mobile Communications Group Co., Ltd. (中國移動通信集團有限公司), which was a substantial Shareholder as of the Financial Year End Date
"CMCC Group"	CMCC and its subsidiaries (or CMCC and any one or more of its subsidiaries, as the context may require)
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "China Tower", "we" or "us"	China Tower Corporation Limited (中國鐵塔股份有限公司), a joint stock company with limited liability incorporated under the laws of the PRC on 15 July 2014
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Consolidated and Reduced Share(s)"	the share(s) with par value of RMB1.00 each in the share capital of the Company of RMB17,600,847,102 immediately after the Share Consolidation and Capital Reduction becoming effective, divided into 12,934,461,502 Domestic Shares and 4,666,385,600 H Shares

Definitions

"Consolidated and Reduced H Share(s)"	the H Share(s) with par value of RMB1.00 each immediately after the Share Consolidation and Capital Reduction becoming effective
"Corporate Code"	the code for securities transactions by Directors, Supervisors and relevant employees of China Tower Corporation Limited adopted by the Company
"CTC"	China Telecommunications Corporation (中國電信集團有限公司), which was a substantial Shareholder as of the Financial Year End Date
"CTC Framework Agreement"	the transmission resource and cloud resource lease framework agreement dated 7 August 2024 entered into between the Company and CTC
"CTC Group"	CTC and its subsidiaries (or CTC and any one or more of its subsidiaries, as the context may require)
"CUC"	China United Network Communications Group Company Limited (中國聯合網絡通信集團有限公司), which was a substantial Shareholder as of the Financial Year End Date
"CUC Framework Agreement"	the transmission resource and cloud resource lease framework agreement dated 7 August 2024 entered into between the Company and CUC
"CUC Group"	CUC and its subsidiaries (or CUC and any one or more of its subsidiaries, as the context may require)
"DAS"	indoor distributed antenna system, which is a system comprising of facilities for reception, emission and transmission of wireless communications signal for covering buildings, tunnels or other specific areas
"Davo Qihang"	Beijing Davo Qihang Management Consulting Services Co., Ltd. (北京達沃啟航管理諮詢服務有限公司), a wholly-owned subsidiary of China Reform and a company which held 2.14% equity interest in the Company as of the Financial Year End Date
"Director(s)"	director(s) of the Company
"Domestic Share(s)"	ordinary Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
"EBITDA"	earnings before interest, tax, depreciation and amortization

"Existing Share(s)"	the share(s) with par value of RMB1.00 each in the share capital of the Company of RMB176,008,471,024 prior to the Share Consolidation and Capital Reduction becoming effective, divided into 129,344,615,024 Domestic Shares and 46,663,856,000 H Shares
"Financial Year End Date"	31 December 2024
"First Tranche of Grant"	the first tranche of Initial Grant under Restricted Share Incentive Scheme
"Group"	the Company and its subsidiaries
"Grant Date"	the date the Restricted Shares are formally granted to the Participants by the Board pursuant to the Restricted Share Incentive Scheme, which must be a trading day
"Grant Price"	the price per H Share for the grant of the Restricted Shares under the Restricted Share Incentive Scheme
"H Share Shareholder(s)"	holder(s) of H Shares
"H Share(s)"	overseas listed foreign Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS(s)"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board

Definitions

"Independent Shareholders"	for the 2023-2027 Service Framework Agreements with a Telecom Shareholder, Shareholders who do not have any material interest in the 2023-2027 Service Framework Agreements with such Telecom Shareholder
"Independent Third Party(ies)"	an entity which is independent of and not connected to the Company or its connected persons, and which is not a connected person of the Company
"Initial Grant"	the initial grant of the Restricted Shares under the Restricted Share Incentive Scheme to the Participants
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Lock-up Period"	the period during which transfer of the Restricted Shares granted to the Participants under the Restricted Share Incentive Scheme is prohibited
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Over-allotment Option"	option granted by the Company to the international underwriters, exercisable by the joint representatives (on behalf of the international underwriters) pursuant to the international underwriting agreement, pursuant to which the Company may be required to allot and issue up to an aggregate of 6,467,220,000 additional H Shares at the offer price to, among other things, cover over-allocations in the international offering, if any, in relation to the global offering
"Participant(s)"	Directors, senior management and employees of the Company who are eligible for participation under the Restricted Share Incentive Scheme
"Principal Services Provided to the Telecom Shareholders"	relevant services of tower products, DAS products, transmission products and service products provided to the Telecom Shareholders and their respective subsidiaries by the Company, as further described in "Report of the Directors – Continuing Connected Transactions" in this annual report

"Relevant Products"	has the meaning as defined in "Report of the Directors – Continuing Connected Transactions – Principal Services Provided to the Telecom Shareholders" in this annual report
"Restricted Share(s)"	the incentive instrument of the Restricted Share Incentive Scheme, which would, subject to the fulfilment of the conditions as required by Restricted Share Incentive Scheme, entitle the Participants to be granted or subscribe for the restricted shares of the Company and the related shares newly issued as a result of the bonus issue or conversion shares of the Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Restricted Share Incentive Scheme"	the "China Tower Corporation Limited First Phase Restricted Share Incentive Scheme" adopted by the Company at the 2018 AGM, pursuant to which the Company can grant H Shares to the Participants
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"Second Tranche of Grant"	the second tranche of Initial Grant under Restricted Share Incentive Scheme
"Securities and Futures Ordinance" or "SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each
"Share Consolidation and Capital Reduction"	the share consolidation and capital reduction on the basis that (i) every ten (10) Existing Shares with a par value of RMB1.00 each be consolidated into one (1) Consolidated and Reduced Share with a par value of RMB1.00 each; and (ii) the total issued share capital of the Company be reduced from RMB176,008,471,024 to RMB17,600,847,102
"Shareholder(s)"	holder(s) of the Shares
"Smart Tower business"	our trans-sector site application and information business
"Southbound Trading"	trading of H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai Stock Exchange or Shenzhen Stock Exchange

Definitions

"Southbound Shareholders"	holders of H Shares (including enterprises and individuals) who invest in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Southbound Trading
"subsidiary(ies)"	has the meaning ascribed to it in Schedule 1 of the Companies Ordinance
"Supervisor(s)"	member(s) of Supervisory Committee
"Supervisory Committee"	supervisory committee of the Company
"Telecom Group Companies"	the ultimate controlling shareholders of each of the Telecom Shareholders, namely CMCC, CUC and CTC
"Telecom Shareholders"	the three telecommunications service providers as our Shareholders, namely China Mobile Company, China Unicom Corporation and China Telecom
"Three TSPs"	the three largest telecommunications services providers in China, namely China Mobile, China Unicom and China Telecom, which conduct business operations by themselves or through their respective subsidiaries
"Trustee"	the trustee to be determined by the Company for the administration of the Restricted Share Incentive Scheme, which will hold the Restricted Shares for the benefit of the Participants, subject to the terms and conditions of the trust deed
"TSPs"	telecommunications service providers that engaged in fixed communications, wireless communications and Internet access services
"Unlocking Period"	the period during which the Restricted Shares granted to the Participants under the Restricted Share Incentive Scheme may be conditionally transferred

In this annual report, the terms "associate", "connected person", "connected transaction", "controlling shareholder" and "substantial shareholder" have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Forward Looking Statements

The performance and the results of the operations of the Company contained in this 2024 annual report are historical in nature, and past performance is no guarantee of the future results of the Company. Any forward-looking statements and opinions contained within this 2024 annual report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Company, the Directors and the employees of the Company assume (a) no obligation to correct or update the forward-looking statements or opinions contained in the 2024 annual report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

CHINA TOWER CORPORATION LIMITED
中國鐵塔股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code : 0788

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FSC
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Paper | Supporting responsible forestry
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