

Further Resource Sharing to Bolster Core Competencies

China Tower's Profit Attributable to the Company Increased by 16.9%

(11 August 2020, Hong Kong) The world's largest telecommunications infrastructure service provider **China Tower Corporation Limited** ("China Tower", or the "Company") (Stock Code: 0788.HK) is pleased to announce its interim results for the six months ended 30 June 2020.

Performance Highlights

| RMB million | Six months ended 30 June | | |
|---|--------------------------|--------|--------|
| | 2020 | 2019 | Change |
| Operating revenue | 39,794 | 37,980 | 4.8% |
| EBITDA | 29,100 | 27,815 | 4.6% |
| Profit attributable to the Company | 2,978 | 2,548 | 16.9% |
| Earnings per share (RMB) | 0.0170 | 0.0145 | 17.2% |
| Key operating data | | | |
| Number of tower sites (thousand) | 2,015 | 1,954 | 3.1% |
| Number of tower tenants (thousand) | 3,124 | 2,931 | 6.6% |
| Tower tenancy ratio (tower tenants / tower sites) | 1.64 | 1.58 | 3.8% |

In the first half of 2020, we continued to focus on quality enhancements by increasing investment efficiency and optimizing cost management. This ensured that we maintained a stable growth in revenue while steadily improving our operating efficiency at the same time. We recorded an operating revenue of RMB39,794 million, up by 4.8% over the same period last year. Our EBITDA¹ reached RMB29,100 million, with the EBITDA margin² maintained at a high level of 73.1%. Profit attributable to owners of the Company reached RMB2,978 million, up by 16.9% over the same period last year.

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

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

Our cash flow was sound and healthy, and we sustained a reasonable and controllable debt leveraging level. In the first half of 2020, our net cash generated from operating activities amounted to RMB27,083 million. Capital expenditure amounted to RMB14,302 million and our free cash flow³ reached RMB12,781 million. As of 30 June 2020, the Company's total assets reached RMB335,429 million and interest-bearing liabilities amounted to RMB113,949 million with a gearing ratio⁴ of 37.5%.

In the first half of 2020, we promoted the resumption of work and service during the COVID-19 pandemic in an orderly manner, endeavoring to minimize the negative impact of the pandemic. Whilst fully adhering to the measures necessary for the prevention and control of the pandemic, we firmly upheld our "One Core and Two Wings" strategy and leveraged our advantages in resource sharing to bolster our core competencies. Building on the solid foundation of our telecommunications service provider ("TSP") business, we achieved rapid development and breakthroughs in our trans-sector site application and information ("TSSAI") business and energy operation business, contributing to the further optimization of our overall business structure. Tower tenancy ratio had increased from 1.62 at the end of 2019 to 1.64 at the end of June 2020, reflecting a continued improvement in the level of site co-location.

Fully supporting the construction of 5G networks to maintain steady growth in our TSP business

In the first half of 2020, given the scaling construction of 5G networks and the demand for in-depth 4G network coverage, we continued to promote resource sharing through full utilization of existing resources and stepping up our efforts to acquire more social resources. This would serve to increase our operational efficiency and create more collaborative value. During this period, 97% of 5G construction demand from TSPs was satisfied through the sharing of existing resources. Taking into account the new features of 5G infrastructure, we continued to proactively promote the implementation of our integrated wireless communications coverage solutions. By combining macro and small cells, as well as outdoor and indoor network, these solutions provided a more economic, flexible and diverse way to fulfil customers' needs for cost-effective and varied approaches in network coverage. As of the end of June 2020, the Company managed a total of 2,015 thousand tower sites, representing an increase of 21,000 compared to the end of 2019. The total number of TSP tenants increased by 61,000 to 3,124 thousand compared to the end of 2019. Additionally, the revenue of our tower business increased by 1.6% to RMB36,371 million over the same period in 2019.

With regard to our Distributed Antenna System ("DAS") business, the Company fully leveraged its advantages in providing coordinated one-stop solutions. Considering a range of scenarios, we focused on customer demand and worked to create multiple and differentiated solutions that combine the active and passive DAS construction models. Our DAS revenue for the first

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

Note 4: Gearing ratio is calculated as net debt divided by the sum of total equity and net debt, then multiplied by 100%. Net debt is calculated as the amount of interest-bearing liabilities minus the amount of cash and cash equivalents.

half of 2020 increased by 37.2% year-on-year to RMB1,720 million.

Keep focusing on key sectors to accelerate the growth of our Two Wings business

The growth of our TSSAI business remained fast and healthy. We leveraged our advantages in tower site resources and expertise to capture new opportunities arising from the digitization and informatization of society. With our foci on “resource sharing” and “data information”, we placed great emphasis on key sectors and customers and continued to innovate our products and enhance our platform’s operational capabilities. In addition, we formed an initial standardized product portfolio in areas such as video surveillance, field supervision, edge access and data monitoring. This accelerated our transition from providing ordinary resource leasing to offering an integrated information service, enabling the rapid and high-quality development of our TSSAI business. From the end of 2019 to 30 June 2020, the total number of our TSSAI tenants increased by 13,000 to 189 thousand. In the first half of 2020, our revenue generated from TSSAI business was RMB1,264 million, up by 49.9% over the same period last year.

We achieved effective breakthroughs in our energy operation business. Drawing from our experience in ensuring base-station power supply and operating traction batteries, we formulated plans to scale up our energy business for operations across society and established a new platform for energy sharing. Over the first half of 2020, we maintained a focus on our four core businesses of power backup, power generation, battery exchange and charging. While building on our previous pilot projects, we continued to optimize our product platform and grow our customer base. As of 30 June 2020, the cumulative number of power exchange service users had reached 153 thousand. This reflects how we have initially established a unified brand in the energy business with competitive edge, which set a good foundation for sustainable development in the future. Additionally, our energy business recorded a revenue of RMB315 million, representing an effective launch.

Mr Tong Jilu, Chairman of China Tower said, “Looking to the future, given the ongoing implementation of China’s ‘Cyberpower’ and ‘new infrastructure’ strategies, the construction and deployment of 5G networks will continue to accelerate. As a telecommunications infrastructure service provider, the Company is looking to capture new market development opportunities, continuously uphold its strategy of resource sharing and maintain high-quality growth. This will ensure the stable growth of its operating results and continue to increase the efficiency of development ultimately generating higher returns for its shareholders.”

~ End ~

About China Tower:

Since its incorporation on 15 July 2014, China Tower Corporation Limited (“China Tower”) has developed into the world’s largest telecommunications tower infrastructure service provider with compelling market advantage under the national strategy of Cyberpower. China Tower was listed on the Main Board of Hong Kong Stock Exchange on 8 August 2018 (Stock Code: 0788.HK), raising approximately HK\$58.8 billion. The Company implements the strategy of “One Core and Two Wings”. “One core” refers to the traditional tower business and indoor Distributed Antenna System (DAS) business, which provide services to the TSPs based on site resources; while “Two Wings” refers to the Trans-sector Site Application and Information (TSSAI) business which mainly provides tower site resources and data information services to different industries, as well as energy operation business to satisfy the growing demands on energy services in the society, such as power backup and generation, charging, battery exchange and echelon use of batteries. China Tower adheres to the “sharing” philosophy for business development. It promotes site co-location and provides a wide range of services to fulfil the specific needs of its customers. As of the end of June 2020, the Company’s total assets amounted to RMB335,429 million. China Tower operated and managed 2,015 thousand tower sites across 31 provinces, municipalities and autonomous regions in the PRC, and served over 3,313 thousand tenants with the tenancy ratio of 1.64.

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