

Press Release  
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**5G development gains traction and  
Two Wings business scales rapidly**

**Profit attributable to owners of the Company increased by 16.1%**

(9 August 2021, Hong Kong) The world's largest telecommunications infrastructure service provider **China Tower Corporation Limited** ("China Tower", or the "Company") (Stock Code: 0788.HK) is pleased to announce its interim results for the six months ended 30 June 2021.

**Performance Highlights**

RMB Million	For the six months ended 30 June		
	2021	2020	Change
Operating revenue	42,673	39,794	+7.2%
EBITDA	31,184	29,100	+7.2%
Profit attributable to owners of the Company	3,457	2,978	+16.1%
Basic earnings per share (RMB yuan)	0.0198	0.0170	+16.5%
<b>Key operating data</b>			
Number of tower sites (thousand)	2,035	2,015	+1.0%
Number of tower tenants (thousand)	3,423	3,313	+3.3%
Tower tenancy ratio (tower tenants / tower sites)	1.68	1.64	+2.4%

Our total revenue maintained steady growth in the first half of 2021 while profitability continued to improve. Our operating revenue recorded a year-on-year increase of 7.2% to RMB42,673 million; our EBITDA<sup>1</sup> amounted to RMB31,184 million, representing growth of 7.2% year-on-year with an EBITDA margin<sup>2</sup> of 73.1%. Profit attributable to owners of the Company totaled RMB3,457 million, up by 16.1% year-on-year, with a net profit margin of 8.1%.

Our cash flow remained sound and ample. In the first half of 2021, net cash generated from operating activities amounted to RMB24,238 million. Capital expenditures amounted to RMB10,360 million, a reduction of 27.6% year-on-year, which resulted in our free cash flow<sup>3</sup> reaching RMB13,878 million, an increase of 8.6% year-on-year. Our debt leverage ratio was contained at a reasonable and manageable level and our financial position remained healthy. As of 30 June 2021, our total assets were RMB333,195 million and our interest-bearing liabilities stood at RMB114,191 million, representing a gearing ratio<sup>4</sup> of 37.0%.

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

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

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

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

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

In the first half of 2021, centered around our “One Core and Two Wings” strategy, we continued to leverage the benefits of effective resource coordination and sharing to achieve higher efficiency in our asset operations, and as a result further reinforced our competitiveness. Building on the stable development of our TSP business, our TSSAI and energy businesses continued to increase in scale and grow rapidly.

### **Maintaining stable and healthy growth in our TSP business, cementing industry leadership**

Given the growth in 5G networks deployments during the first half of 2021, we used our market-oriented approach to focus on customer demands as well as the new features of 5G network construction. In this context, we utilized our ability to coordinate and share resources, making full use of our existing and social resources. We have also focused on construction and service model innovation, in view of improving our asset operating efficiency and meeting our customer’s network coverage demands in a cost-effective, intensive and high-performing manner. As a result, our TSP business maintained stable growth, further cementing our leadership in the telecommunication infrastructure construction and operation sector.

We completed the infrastructure of approximately 256,000 5G projects in the first half of 2021, of which 97% were completed by utilizing existing resources. This underscored our strength in sharing resources to support the large-scale construction of 5G networks in a cost-effective manner. At the same time, the impact of 5G on improving our revenue has begun to show its effects, with 5G becoming the key growth driver of our TSP business. As of the end of June 2021, we were managing a total of 2.035 million tower sites, a net cumulative addition of 12,000 sites from the end of 2020. During the same period, we gained 53,000 new TSP tenants, bringing the total number to 3.228 million. Our TSP tenancy ratio also increased from 1.57 at the end of 2020 to 1.59. Our DAS business cumulatively covered buildings with a total area of 4.41 billion square meters, up by 41.3% year-on-year. We also covered a total of 14,431 kilometers of high-speed railway tunnels and subways, an increase of 31.8% year-on-year.

In the first half of 2021, our TSP business revenue amounted to RMB39,808 million, an increase of 4.5% year-on-year, of which our tower business revenue accounted for RMB37,722 million while our DAS business revenue accounted for RMB2,086 million, representing a year-on-year growth of 3.7% and 21.3% respectively.

### **Rapidly scaling our Two Wings business, gaining new momentum for further development**

Leveraging our unique advantages in resources and capabilities, we focused on product innovation and the optimization of our platform operations, to maximize the benefits of our sharing model. As a result, our Two Wings business continued to expand rapidly while gaining new momentum for sustainable development. The Two Wings business has shown potential in supporting and reinforcing the Company’s multi-pillar development plan. In the first half of 2021, Two Wings business recorded revenue of RMB2,737 million, an increase of 73.3% year-on-year.

**TSSAI business:** The Company seized opportunities arising from the further digitalization and informatization in China, fully leveraged our competitive advantages in mid-and high-point monitoring and proactively promoted the transformation of “Telecommunications Towers” into “Digital Towers”. Focusing on our video surveillance services, we enhanced our innovative business model and implemented unified technology and service standards, platform support and operations management. We integrated algorithms, terminals, transmission and data management as well as extended our collaboration with industry partners to expand our ecosystem. We have officially launched our “Tower Monitoring” business to serve a wide range of customers across sectors relating to the national economy and people’s livelihoods, including environmental remediation, disaster relief, eco-conservation and village governance. Our integrated information service capabilities were further enhanced, providing a strong basis for the rapid expansion of our TSSAI business. As of 30 June 2021, we had 195,000 TSSAI tenants and TSSAI revenue for the first half of 2021 was RMB1,853 million, an increase of 46.6% year-on-year.

**Energy business:** We captured opportunities related to the push toward a low-carbon economy and the thriving new energy industry. Focusing on our core business segments of battery exchange and power backup, we expanded the scale of our operations and improved our delicate management approach. By standardizing our product platform and putting in place operating and management systems, we strove to enhance our core competitive advantages as the “largest industry player with best-in-class services”, creating smart energy applications with “China Tower characteristics”. As of 30 June 2021, we had cumulatively provided around 460,000 users with battery exchange services, a net increase of 160,000 compared with the end of 2020, making us the largest supplier of battery exchange services for light electric vehicles in China. We also cumulatively built 17,000 power backup sites, a net increase of 5,000 compared with the end of last year. In the first half of 2021, our energy business recorded revenue of RMB884 million, an increase of 180.6% year-on-year.

**Mr Tong Jilu, Chairman of China Tower** said, “Looking forward in the second half of 2021, we will continue to capture opportunities brought about by the development of 5G new infrastructure, the digital economy and the new energy industry. Adhering to our goal of building an enterprise with the best potential for growth and value creation, we will continue to leverage our advantages in resource sharing and further implement our ‘One Core and Two Wings’ strategy. In doing so, we will be in the best position to maintain stable revenue growth, enhance the value of our Company and provide better returns to our shareholders.”

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## **About China Tower**

Since its incorporation on 15 July 2014, China Tower Corporation Limited (“China Tower”) has developed into the world’s largest telecommunications tower infrastructure service provider with compelling market advantage under the national strategy of Cyberpower. China Tower was listed on the Main Board of Hong Kong Stock Exchange on 8 August 2018 (Stock Code: 0788.HK), raising approximately HK\$58.8 billion. The Company implements the strategy of “One Core and Two Wings”. “One core” refers to the traditional tower business and indoor Distributed Antenna System (DAS) business, which provide services to the TSPs based on site resources; while “Two Wings” refers to the Trans-sector Site Application and Information (TSSAI) business which mainly provides tower site resources and data information services to different industries, as well as energy business to satisfy the growing demands on energy services in the society, such as power backup and generation, charging, battery exchange and echelon use of batteries. China Tower adheres to the “sharing” philosophy for business development. It promotes site co-location and provides a wide range of services to fulfill the specific needs of its customers. As of the end of June 2021, the Company’s total assets amounted to RMB333,195 million. China Tower operated and managed 2.035 million tower sites across 31 provinces, municipalities and autonomous regions in the PRC, and served over 3.423 million tenants with the tenancy ratio of 1.68.

## **Investor and Media Enquiries**

### **iPR Ogilvy Ltd.**

Callis Lau / Gary Li / Emily Chiu / Charmaine Siu

Tel: (852) 2136 6952 / 3170 6753 / 3920 7659 / 3920 7646

Email: [chinatower@iprogilvy.com](mailto:chinatower@iprogilvy.com)