



**Furthered “One Core and Two Wings” Strategy  
Revenue Growth Supported by Multiple Pillars  
Net Profit Increased Rapidly**

(3 August 2023, Hong Kong) The world’s largest telecommunications infrastructure service provider **China Tower Corporation Limited** (“China Tower”, or the “Company”) (Stock Code: 0788.HK) is pleased to announce its interim results for the year ended 30 June 2023.

**Performance Highlights**

RMB Million	1H 2023	1H 2022	Change
Operating revenue	46,461	45,479	2.2%
EBITDA	32,021	31,958	0.2%
Profit attributable to owners of the Company	4,841	4,224	14.6%
Basic earnings per share (RMB yuan)	0.0277	0.0242	14.5%
<b>Key operating data</b>			
Number of tower sites (thousand)	2,061	2,049	0.6%
Number of tower tenants (thousand)	3,647	3,521	3.6%
Tenancy ratio (tenants / tower site)	1.77	1.72	2.9%

Our revenue grew steadily in the first half of 2023, reaching RMB46,461 million, an increase of 2.2% year-on-year. After excluding the impact of the Commercial Pricing Agreements, revenue increased by 6.2% on a comparable basis over the same period last year. EBITDA<sup>1</sup> amounted to RMB32,021 million with an EBITDA margin<sup>2</sup> of 68.9%. Profit attributable to the owners of the Company was RMB4,841 million, up by 14.6% year-on-year, with a net profit margin of 10.4%, marking a further improvement in profitability.

In the first half of 2023, our net cash generated from operating activities amounted to RMB11,555 million, and capital expenditure was RMB12,822 million. As of 30 June 2023, our total assets amounted to RMB318,063 million, with interest-bearing liabilities of RMB92,223 million, with a gearing ratio<sup>3</sup> of 31.6%. Our financial position remained stable.

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

### **Core advantages drove steady progress in TSP business**

5G network penetration and coverage in China continues to expand and we seized the opportunities this presented. By strengthening resource coordination and sharing and operational efficiencies, we were able to meet customer network construction needs in an intensive and effective manner. We steadily implemented the new phase of the Commercial Pricing Agreements with the TSPs. In the first half of 2023, the revenue from our TSP business was RMB40,905 million, a decrease of 1.1% compared to the same period last year; however, when the impact of the Commercial Pricing Agreements is excluded, revenue reached RMB42,762 million on a comparable basis, an increase of 3.4% year-on-year.

**Tower business.** Centering around 5G network construction, we harnessed policy support for unleashing and sharing of public and cross-sector resources. These initiatives have helped reduce the entry barrier and social costs of reinforcing our competitiveness in resource coordination. A higher level of sharing of existing site resources, wider use of social resources and more effort in promoting the adoption of our integrated wireless communications coverage solutions has enabled us to comprehensively satisfy customer demand for 5G construction. We completed approximately 325,000 5G construction demand in the first half of 2023, of which more than 95% were fulfilled by sharing existing resources. We proactively captured the increased demand for low-frequency network construction and for new construction arising from network optimization. As a result, the number of new projects increased rapidly, effectively supporting the stable growth of our Tower business. Leveraging thorough knowledge of the construction features of comprehensive 5G coverage, we continued to launch innovative low-cost construction solutions, products and services to satisfy customer demand in an economical and effective manner. In the first half of 2023, our tower business revenue accounted for RMB37,481 million, down by 2.9% over the same period last year. After excluding the impact of the Commercial Pricing Agreements, our revenue reached RMB39,338 million on a comparable basis, an increase of 1.9% year-on-year. As of 30 June 2023, the Company was managing a total of 2.061 million tower sites, representing a net increase of 6,000 sites from the end of 2022. During the same period, we gained 61,000 new tenants, bringing the total number of TSP tenants to 3.423 million. Our TSP tenancy ratio increased from 1.65 at the end of 2022 to 1.67, showing a continuous increase in the level of site co-location.

**DAS business.** Our DAS business benefited from continued enhancements to design and quality management while leveraging the advantages of low cost, service quality, and low energy consumption. We further integrated and better coordinated “resources + demands”, fully leveraging unified site entry and coordinated construction, enabling us to expand 5G coverage in key industries such as education, cultural tourism, transportation, and healthcare, and to offer better service to support the newly established DAS market segments. Innovation in DAS products and comprehensive service solutions allowed us to provide customers with differentiated passive and active DAS sharing solutions, satisfying the demand for 5G upgrading of existing DAS. By further exploring shared value and expanding the scale of the business, we have consolidated DAS business as the “second engine” for development of our TSP business. In the first half of 2023, our DAS business recorded revenue of RMB3,424 million, an increase of 24.4% compared to the same period last year. As of 30 June 2023, we had covered buildings with a cumulative area of 8,820 million square meters, up by 47.7% year-on-year, while the coverage in high-speed railway tunnels and subways totaled a cumulative length of 22,135 kilometers, an increase of 21.1% over the same period last year.

### **Forged capabilities to maintain strong growth of Two Wings business**

To maximize new opportunities brought by the development of the “Digital Economy” and the “dual carbon” goals, we continued to enhance our innovative development capabilities, improve core competitiveness, and promote rapid growth of the Two Wings business. In the first half of 2023, the revenue of the Two Wings business reached RMB5,361 million and accounted for 11.5% of our overall operating revenue, an increase of 2.7 percentage points over the same period last year, further reinforcing the Company’s multi-pillar structure for business development.

**Smart Tower business.** Our Smart Tower business took advantage of our mid-to high-point positions and continued to build digital towers. We fully leveraged our digital governance capabilities in fields such as farmland protection, forestry fire prevention, and the protection of the Yangtze River’s ecosystem, which contributed to national strategies and major projects while concurrently promoting digital economic development. We continued to increase research and development investment in Smart Tower business to develop product leadership in five areas – platform, data, algorithm, application, and operation. We focused on seven industry applications, covering the smart management of forestry, straw burning, fishery, farmland, blue skies, reservoirs, and villages, accelerating product development to meet customers’ specialization and customization requirements. We supported these product developments with customer service that deepened a “one-on-one, face-to-face, and round-the-clock” companion service system, helping us to understand better our customers, efficiently meet their requirements, and respond promptly to their needs. In the first half of 2023, the Smart Tower business achieved revenue of RMB3,386 million, a year-on-year increase of 31.0%, of which RMB2,076 million or 61.3% was generated from Tower Monitoring business.

**Energy business.** We actively grasped the development opportunities in the field of new energy. Adhering to the principles of sharing and collaboration, we fully utilized the company’s core strengths, such as abundant site resources, a visualizable and controllable monitoring platform, and specialized power maintenance and support service capabilities in the Energy business. We focused on key business segments such as battery exchange and power backup, exercising delicate operation, consolidating product, service, and platform advantages, building core competitiveness, and enhancing quality. For the battery exchange business, we utilized the advantages of our battery exchange networks and services, strengthened the consumer segment battery exchange market, while vigorously expanding our customer base in the business segment. As of 30 June 2023, we have attained a cumulative total of approximately 998,000 battery exchange users, with an increase of 96,000 from the end of 2022, further consolidating our leading position in the market for battery exchange for light electric vehicles. For the power backup business, we focused on key industries such as communications and finance by developing standardized backup power products, offering an integrated four-in-one solution covering power backup, power generation, monitoring and maintenance. This helped to drive the growth of the power backup business. In the first half of 2023, the Energy business achieved revenue of RMB1,975 million, a year-on-year increase of 38.5%, of which the battery exchange business accounted for RMB982 million, with its contribution to the Energy business reaching 49.7%.

**Mr. Zhang Zhiyong, Chairman of China Tower** said, “In the future, the Company will continue to place technological innovation at the center of driving high-quality corporate development. We will build a strong enterprise through technology innovation in order to forge new development momentum. We will continue to increase research and development in key core technologies such as intelligent operations and maintenance, edge computing networks, video AI algorithms, mid-to high-point IoT, and energy interconnection, enhancing original innovation capabilities in key areas. We will optimize and improve the technological innovation system, increase research and development investment, enhance the overall efficiency of technological innovation, accelerate the transformation of technological achievements into practical productivity, and continue to enhance technological innovation capabilities. We will also respect our talent and advocate innovation, increase rewards and incentives, allowing the creativity and innovation of our technological talent to flourish to the fullest extent.”

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### **About China Tower (Stock Code: 0788.HK)**

China Tower is the world's largest telecommunications tower infrastructure service provider, and the Company always adheres to the philosophy of shared development and implements the "One Core and Two Wings" strategy. The Company is principally engaged in the construction, maintenance and operation of base station ancillary facilities such as telecommunications towers, public network coverage in high-speed railways and subways, and large-scale indoor Distributed Antenna Systems (DAS). Meanwhile, relying on unique resources to provide energy application services such as information application and intelligent battery exchange and power backup to the society, the Company strives to build itself into a world-class information and communications infrastructure service provider, and a highly competitive information and new energy applications provider. As of the end of June 2023, the Company's total assets amounted to RMB318,063 million. China Tower operated and managed 2.061 million tower sites across 31 provinces, municipalities and autonomous regions in the PRC, and served over 3.647 million tenants with the tenancy ratio of 1.77.

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