

2024 Interim Results

7 August 2024





Management

Mr. Zhang Zhiyong

Executive Director and Chairman

Mr. Chen Li

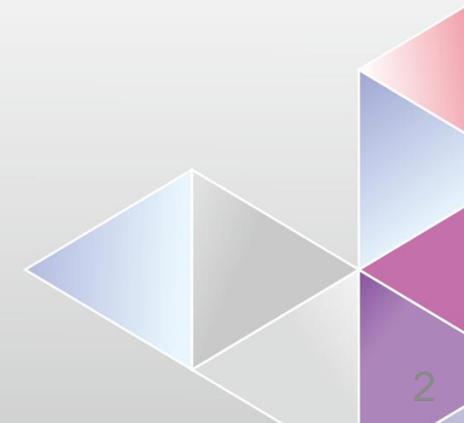
Executive Director and General Manager

Mr. Gao Chunlei

Executive Director

Mr. Hu Shaofeng

Chief Accountant





Content



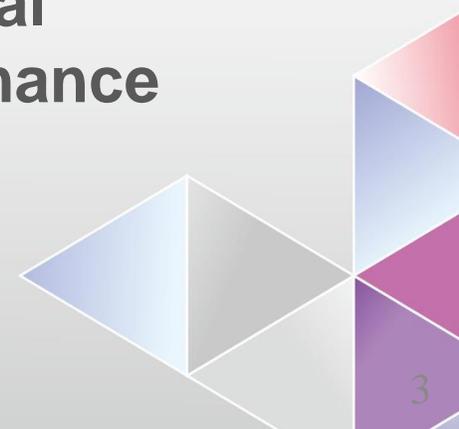
**Overall
Performance**



**Operational
Performance**



**Financial
Performance**



01

Overall Performance

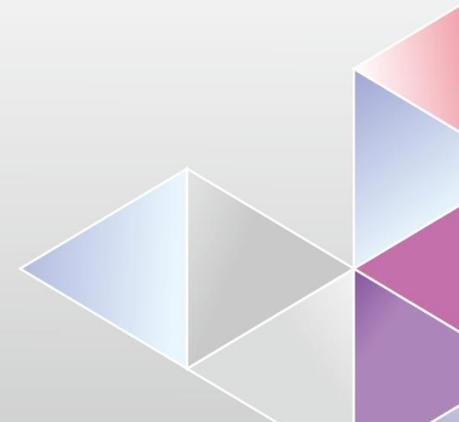
Zhang Zhiyong

Executive Director and Chairman



Highlights

- 01** Healthy operational performance, achieved double-digit growth in net profit, cash flow improved significantly
- 02** “One Core and Two Wings” made steady progress, further fortified business development supported by multiple pillars
- 03** Digital tower empowered thousands industries, Smart Tower business continued to grow rapidly
- 04** Strengthened research of key technologies, improved technological innovation capabilities
- 05** First time to distribute interim dividend, sharing fruitful results with shareholders



Key Indicators

RMB48,247 million

Operating Revenue

 **3.8%**

RMB33,045 million

EBITDA*

 **3.2%**

RMB32,830 million

Operating Cash Flow

 **184.1%**

RMB5,330 million

Profit attributable to
owners of the Company

 **10.1%**

3.731 million

Number of tenants

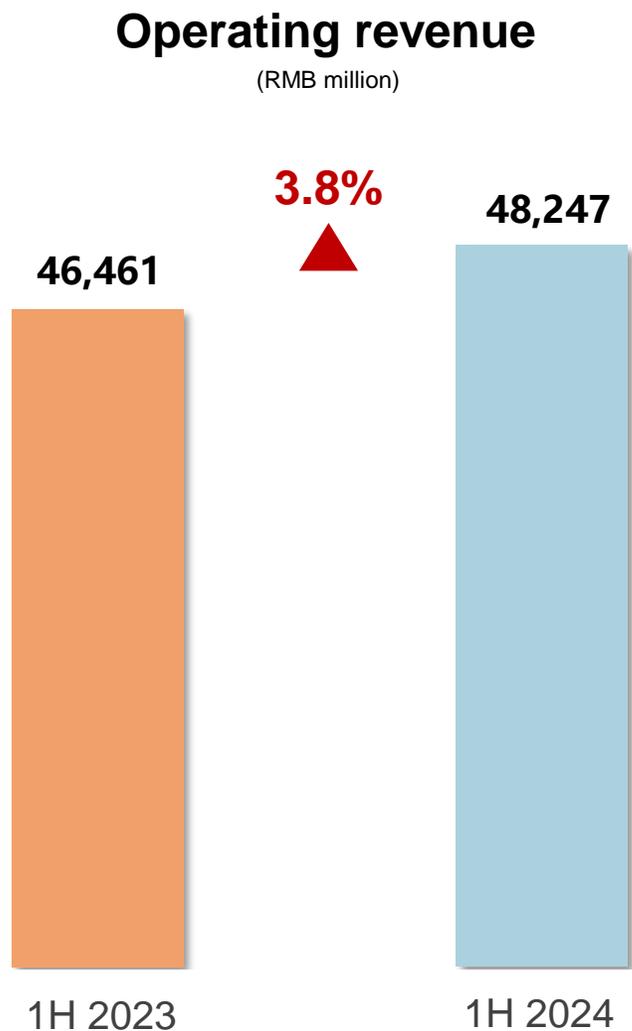
 **2.3%**

1.80 tenants/site

Tower Tenancy Ratio

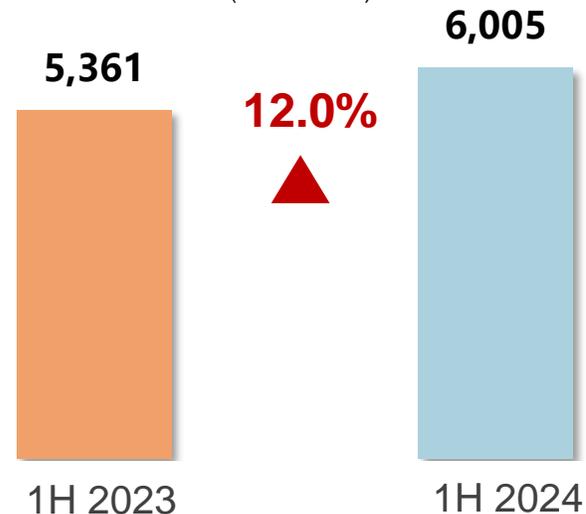
 **1.7%**

Steadfastly Implemented “One Core and Two Wings” Strategy

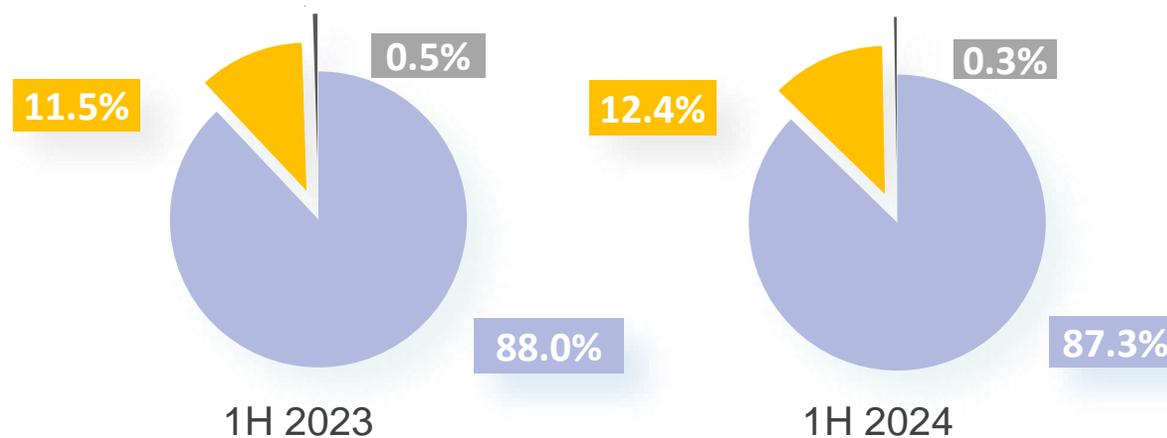


Two Wings business revenue

(RMB million)



Revenue structure



Note: Other income mainly refers to revenue from services such as construction for transmission facilities for customers

TSP Business Maintained Steady Growth

TSP business revenue

(RMB million)



Leveraged advantages in resource sharing to support “5G new infrastructure” construction

Number of 5G base stations demand during the first half* (thousand)



- Strived to capture all construction demand: completed **329,000** 5G base stations demand in the first half of 2024; as of the end of June 2024, cumulative number of 5G base stations reached **2.676 million**
- Actively leveraged advantages of sharing: **95%** of 5G projects delivered through sharing of existing site resources

Grasped market opportunities in key areas, DAS business expanded rapidly

Buildings



11.54 billion m² in total

1.39 billion m² ↑

Subways



12,227 km in total

602 km ↑

High-speed railway tunnels



14,158 km in total

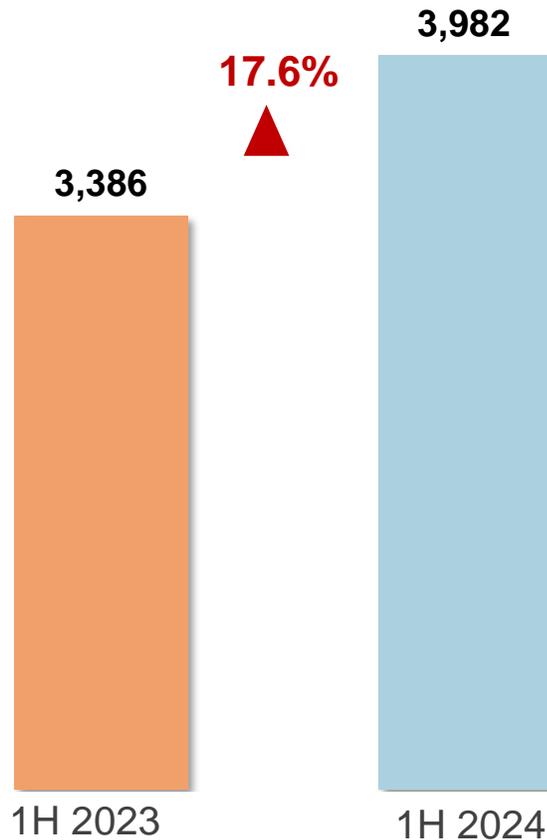
1,711 km ↑

↑ DAS business coverage increased in the first half of 2024

Further Enhanced Smart Tower Business

Smart Tower business revenue

(RMB million)



Deep dived into industries

- Deepened development in key areas, such as environment protection, water resources, emergency response and continued to drive mid-to-high point site resources to support digital intelligence governance in various industries
- Actively explored opportunities in key industries and scenarios, and maintained market leadership in digital intelligence governance in sub-segments such as straw-burning prohibition and farmland protection



Strengthened products

- Strengthened algorithms innovation and R&D, and continued to enrich the distinctive algorithms with mid-to-high point characteristics
- Iterated and upgraded products for industry application, strengthened competitive edges of niche markets



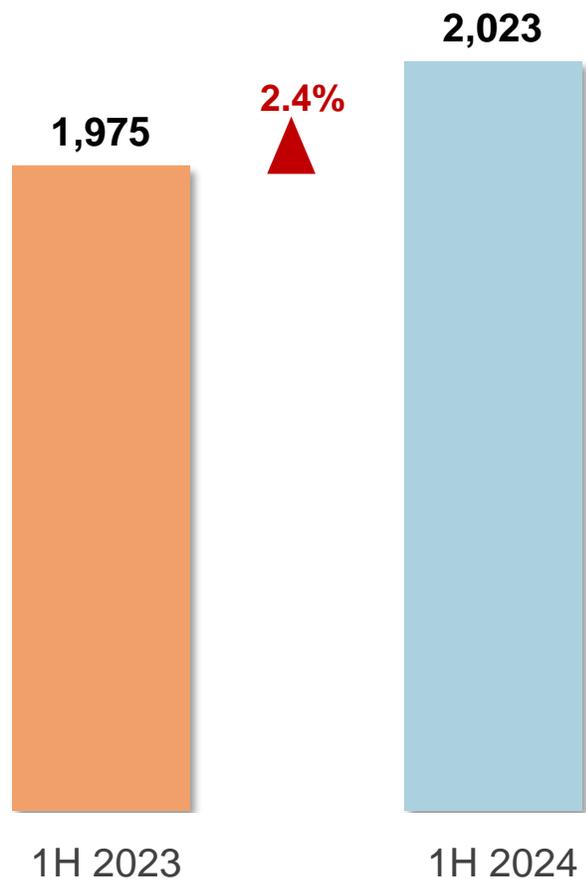
Enhanced services

- Continued to improve professional operation and maintenance systems and strengthen its capabilities to accurately diagnose incidents, dispatch for tasks in real time and handle the incidents in a timely manner
- Guided by the indicators of “companion service”, a special “service enhancement” project has been launched to improve customer satisfaction continuously

Energy Business Continued to Excel

Energy business revenue

(RMB million)



Focus on industries

- Battery exchange business focused on courier and delivery markets. While developing the consumer market, it accelerated the expansion of customer base in industries to maintain market leadership
- Power backup business focused on key industries such as communications and finance, targeting quality corporate customers and achieving sound development by providing professional products and services

Product optimization

- Promoted large-scale applications of next-generation battery exchange products and accelerated technological breakthroughs of key components of products such as battery management systems (BMS)
- Continued to create a comprehensive solution for “power backup+” and develop a variety of standardized products such as power security, digital monitoring, and energy consumption management

Refined operations

- Strengthened the deployment and management of batteries and battery exchange cabinets to improve asset utilization
- Promoted cascade utilization of batteries and further explored asset value
- Implemented user hierarchical and classified management, further deepen user operations

Quality services

- Enhanced intelligent service triaging proportion of consumer customers, and improved online service experience
- Built more than 600 “rider homes”, improved offline service capabilities
- Built “energy butler” service brand of China Tower, and continued to improve the companion service system for corporate customers



Promoted digital intelligence transformation in operation management

- Through specific measures such as one-code-for-all for assets, digital upgrading of project construction and management, intelligent operation and maintenance, and integration of industry and finance, it continued to improve management efficiency and standardization, and accelerate the construction of digital enterprise



Continued to deepen the reform of systems and mechanisms

- Deepened the tenure system and contract management, further increased the introduction and training of scientific research talents, and promoted the optimization of the talent structure; enhanced the incentive policies related to the core talents to stimulate the vitality of the workforce



Accelerated strategic deployment in emerging industries

- Formulated strategic plans for the development of new industries, and actively expanded new businesses such as digital and intelligent IoT, edge computing and green energy storage based on the construction and operation of digital infrastructure



Promoted enterprises empowered by high-quality

- Focused in three main areas, including “engineering quality, product quality and service quality”, followed the three directions of “quality standard, quality assurance and quality supervision”, and established the “all-round, full-process, and full participation” management model to strengthen enterprises with quality



In-depth implementation of market-oriented operation mechanism

- Improved the integrated management system of “planning, budget, resource allocation, assessment”, optimized resource allocation, promoted the improvement of tenure system and contract management, stimulated the motivation for high-quality development within the Company

Rapidly Improved Technological Innovation Capabilities

Built six technological innovation centers

Standardized operating mechanism and focused on key areas

5G/6G

IoT

New Energy

DAS+

Edge computing

Aviation Big Data

Enhanced technological innovation ecosystem

Carried out cooperation and exchange in key areas



Strengthened research in key technologies

Contributed Tower Wisdom to Global ICT

The number of granted patents increased by **106%** yoy

Promoted **3** ITU international standards



"Intelligent Underground Parking Service Function Rack Based on Internet of Things"



"Carbon Emission Accounting and Allocation Methods for Shared Communication Base Stations"



"Intelligent Control Methods for PV Systems at Base Stations"



224% ↑

R&D investment



80% ↑

R&D staff

Actively Rewards Shareholders

— Strived to **create value** and actively enhance **shareholder returns** —

The board of directors recommended payment
of an interim dividend of

RMB0.01090 per share

In order to better reward investors and allow all shareholders to share the results of our high-quality development, after fully considering our profitability, cash flow and future development needs, the Board recommended to **pay an interim dividend** of RMB 0.01090 per share **for the first time**. The profit distributed in cash in 2024 will be not be less than **75%** of the annual distributable profit for the year under review.

Fully Implemented ESG Concepts



Continued to Deepen Green Development

- **Implemented “co-share and co-build” policy, promoted energy conservation and carbon reduction:** Saved more than RMB200 billion in investment and reducing carbon emissions by approximately 30 million tons; increased the application scale of clean energy such as photovoltaics in base stations
- **“One tower, multiple uses”, safeguarding the green mountains and clear waters:** Integrated digital technology to empower pollution prevention and control in the fields of air, water, soil, and ecological protection, aiding the construction of a green ecological civilization



Effective Corporate Governance

- **Clear governance structure:** The authorities and responsibilities of each governance entity are clear, coordinated and effective
- **Good information disclosure system:** Important information was disclosed in a true, accurate and complete manner to protect the right to information for all investors
- **Sound risk and compliance internal control management system:** Improved risk and internal control system to ensure the Company's operational stability and sustainability



Fulfillment of Social Responsibility

- **Emergency rescue and disaster prevention:** Carried out emergency rescue work for extreme weather conditions, ensure the first time to clear the "communication lifelines"; utilized Smart Tower platform to assist in disaster prevention and reduction for people's livelihood
- **Deepening inclusive services, eliminating the digital divide:** Continuously improved the construction of communication infrastructure in remote areas and impoverished towns; promoted network coverage in western regions





The Company continued to experience a period of great strategic opportunities, anchoring to the positioning of the “three services provider”, deeply implementing of the strategy of “One Core and Two Wings” and accelerating its course to build a world-class enterprise

Construction of digital infrastructure continues to advance

- The Dual-Gigabit network joint-entry and challenging projects, and special projects such as signal strength upgrade and extending of broadband coverage to all border areas were further promoted. 5G-A commercial deployment commenced, with the application of 5G+ industrial internet accelerated and the demand for digital infrastructure construction further released

Further deepening of digital intelligence governance applications

- As the strategic deployments of Beautiful China, Digital China, and Rural Revitalization are intensified, the informatization market of key sectors such as mountains, rivers, forests, farmlands, lakes, grasslands, and deserts is nearly RMB100 billion, thus the demand for digital governance is emerging

Acceleration of green and low-carbon transformation

- The “dual carbon” strategy has been constantly pushed forward, creating numerous opportunities for new energy; the instant delivery market developed rapidly. The implementation of the “no home-charge” policy has been accelerated, driving up market demand for the construction and coordination of infrastructure for battery exchange and charging

TSP business

- Keeps pace with the technological evolution of the industry and customer needs, leverages resource coordination advantages, accelerates the dual growth engine of "5G+DAS", and continues to build the China Tower brand reputation for unrivalled advantages in integrated costs, project delivery and maintenance service, as well as low management risk while also consolidating its leading position in the market to **become a world-class integrated digital infrastructure service provider**

Smart Tower business

- Focuses on key industries , builds first-class platforms and algorithms, strengthens key products, deepens companion services, and actively serves the development of digital economy and digital governance to **become an information application service provider with core competitiveness**

Energy business

- Consolidates its leading position in the low-speed electric vehicle battery exchange market, deepens the application of “power backup +” comprehensive solution and explores integrated energy services to **become a new energy application service provider with core competitiveness**

02

Operational Performance

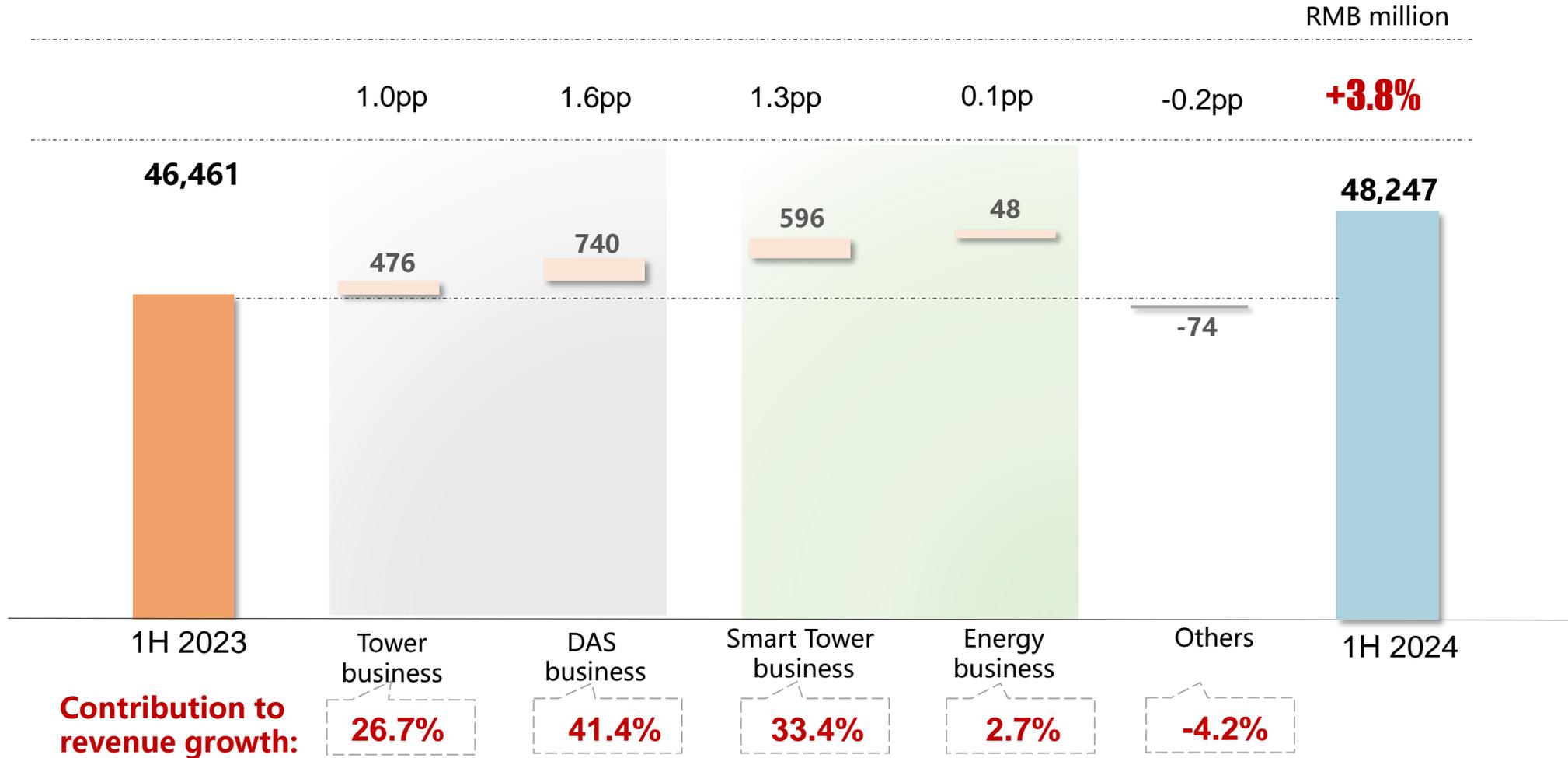
Chen Li

Executive Director and General Manager

Key Operational Indicators

Indicator	1H 2023	1H 2024	Change
Operating revenue (RMB million)	46,461	48,247	3.8%
TSP Business	40,905	42,121	3.0%
Smart Tower Business	3,386	3,982	17.6%
Energy Business	1,975	2,023	2.4%
Number of Tower Tenants (thousand)	3,647	3,731	2.3%
TSP Tenants	3,423	3,493	2.0%
Smart Tower Tenants	223	238	6.7%
Number of Tower Sites (thousand)	2,061	2,070	0.4%
Tower Tenancy Ratio (Tower Tenant/Tower Site)	1.77	1.80	1.7%
TSP tenancy ratio	1.67	1.71	2.4%
Average annual revenue per site (RMB)	19,859	20,379	2.6%

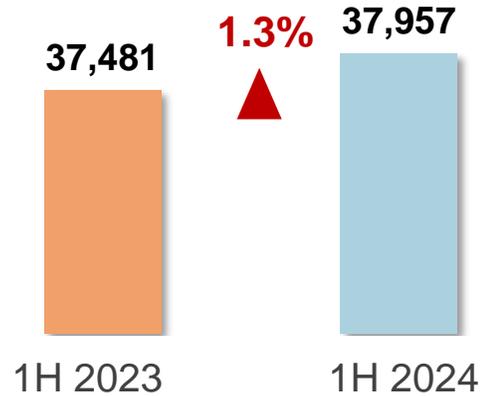
Steady Revenue Growth Supported by Multiple Pillars



Tower Business Maintained Healthy Development

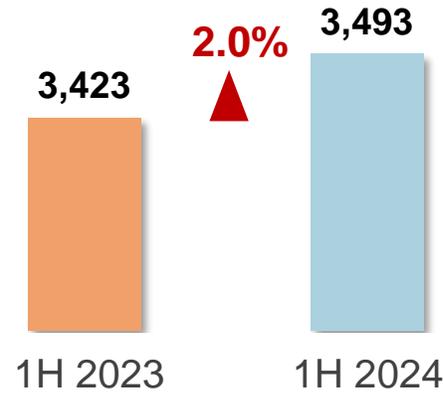
Revenue from Tower Business

(RMB million)



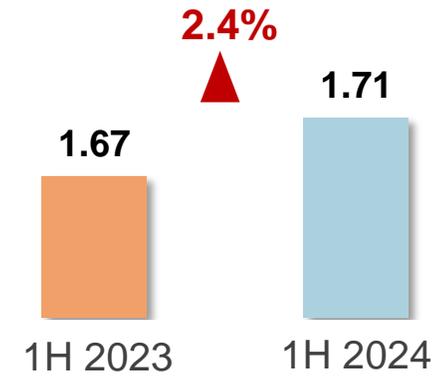
TSP tenants

(thousand)



TSP Tower tenancy ratio

(Tower Tenants / Tower Site)



Improved mechanism and processes to fully meet customer demand

- Adopted a tiered approach to meeting customer needs, fully and accurately captured key information about their needs, discussed solutions, delivery and leasing plans with customers



Innovative support tools to enhance solution capabilities

- Developed and deployed a 3D indoor and outdoor co-simulation system to visualize the simulation results of planned sites and network coverage, enabling the precise implementation of the 5G network plan



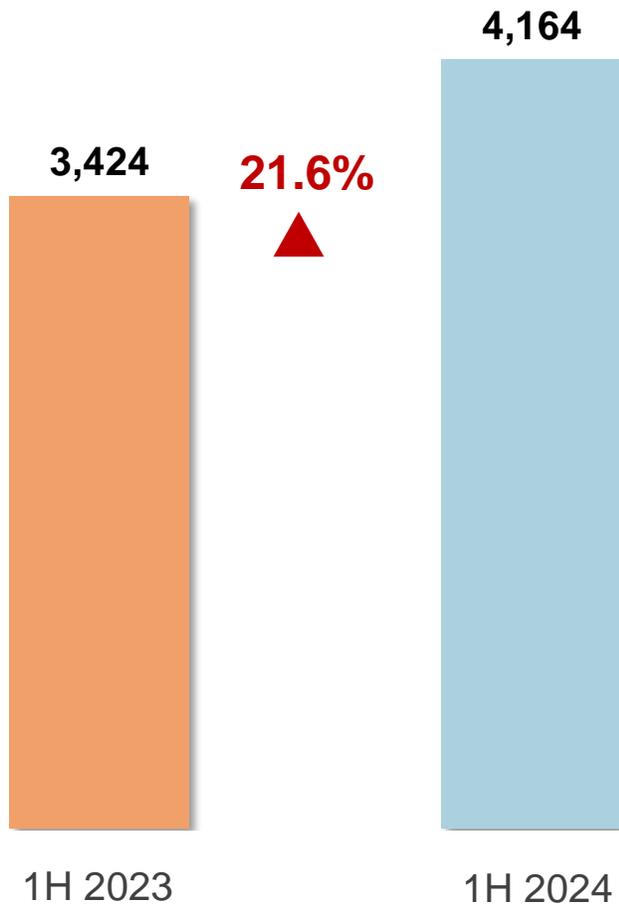
Stepped up efforts to solve pain points

- Focused on solving customers' urgent and worrisome problems, gave full play to the Company's resource coordination ability, and made special efforts to tackle difficult sites access to help customers improve the quality of network coverage

DAS Business Continued to Achieve Rapid Growth

Revenue from DAS business

(RMB million)



01

Strengthened resource coordination capabilities

Promoted the implementation of co-build and co-share policies and the “Technical Standards for Mobile Communications Infrastructure Engineering for Buildings” by the Ministry of Industry and Information Technology and “other 14 departments”, and gave full play to the advantages of coordinated site entry and construction to reduce costs, accelerate demand acquisition, and provide better service to support the DAS segment

02

Strengthened product and solution design capabilities

Expanded the application of innovative products, promoted the “active+passive” combined solutions, further explored shared value and expanded the business

03

Strengthened professional service capabilities

Focused on the “signal strength upgrades” and indoor coverage segments, combined customer network construction strategies, launched the “coverage in lifts and underground car parks and the high-speed rail 5G coverage” special project, improved the level of professional services, and consolidated the advantages of low-cost, excellent service, and low-carbon solutions

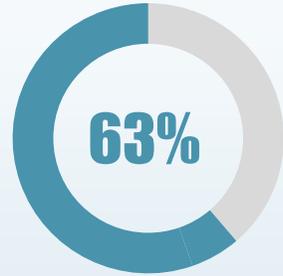
Focused on Key Segments, Smart Tower business Showed Strong Growth Momentum

Took advantage of mid-to-high point site resources to empower thousands industries

Tower Monitoring Business Revenue

2,509 million

↑ 20.9%

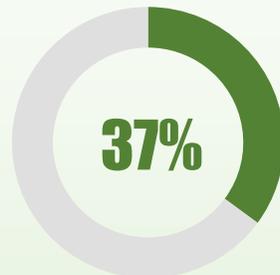


Revenue contribution to Smart Tower business

Tower Sharing Business Revenue

1,473 million

↑ 12.4%



Revenue contribution to Smart Tower business

Land

- Protected farmland and provided mining site supervision services, effectively assisting the natural resources authorities in safeguarding the red line of 1,800 million mu of farmland.

Emergency response

- Provided early warning services for natural disasters such as forest fire prevention, flood prevention, and typhoon resilience, contributing to the country's disaster prevention and mitigation informatization.

Environmental protection

- Real-time monitoring of straw burning activities on farmland to further consolidate and expand the results of blue sky protection.

Agriculture

- Supported the ten-year fishing ban, intelligent agriculture and digital villages in the Yangtze River, contributed to the restoration of the Yangtze River water ecosystem and ensured the high-quality development of the Yangtze River Economic Belt.

Water resources

- Provided services such as river and lake governance, reservoir monitoring, early flood warning, and digitization of irrigation areas for water resource authorities, facilitating early flood warning and disaster relief work.

Transportation

- Early warning and monitoring of illegal construction, illegal sand and soil removal along railway lines and expressways.



Smart Tower Business Continued to Improve Development Capabilities

Strengthened capabilities
Improved products and services
Deepened collaboration and innovation

01

Platform construction

- Built a strong platform foundation and realized full access decoupling, distributed platform deployment, and centralized data operation
- Established a capability-sharing platform, provided 1,600+ extensive capability interfaces, supported convenient deployment and rapid iteration and development

02

Algorithm capabilities

- Provided 160+ distinctive algorithms with mid-to-high point characteristics, serving multiple AI analysis scenarios
- Established 77 million+ unique sample library with mid-to-high point capabilities
- Built an algorithm library, and actively introduced and established an algorithm ecosystem

03

Product applications

- Formulated the “self-developed and ecosystem” dual-pronged R&D approach and established a diversified product R&D system
- Developed professional and advanced application products for 10 key industries and key scenarios, with market leading position in four sectors, namely forest smart protection, straw-burning smart protection, fishery smart protection and farmland smart protection

04

Companion services

- Strengthened Smart Tower localized technical support teams to improve service capabilities
- Formed a professional network management platform connecting all customers, access and maintenance, monitoring and order dispatching, improving the monitoring and operation and maintenance capabilities of Smart Tower equipment

05

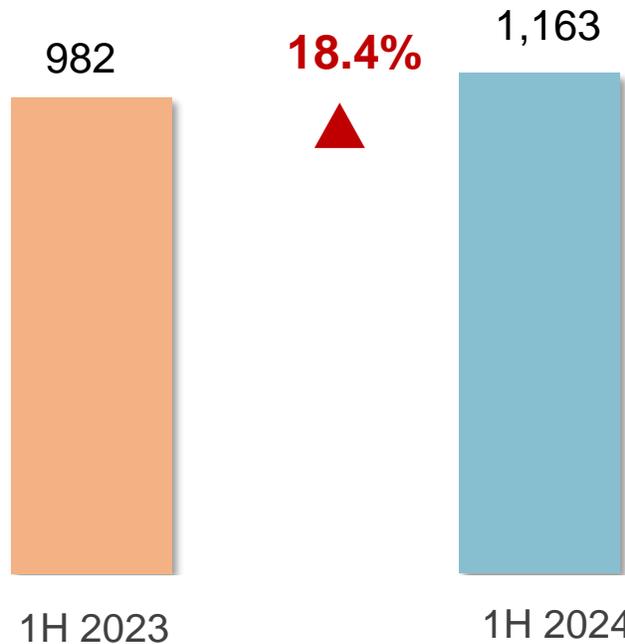
Innovation and cooperation

- Deepened cooperation among industries, universities and research institutes, and collaborated with top universities and scientific research institutes in various fields to conduct technological research in the field of spatial governance digitalization
- Utilized the “Intelligent Society and Spatial Governance Joint Laboratory” to carry out R&D of large spatial governance models

Battery Exchange Business Continued to Consolidate Market-leading Position

Revenue from battery exchange business

(RMB million)



Battery exchange users

1.217 million



Cities deployed

300+

Product iteration and upgrading

- Promoted the large-scale application of **new-generation smart battery exchange products**
- Focused on key components of products such as main control units and lithium battery BMS, and accelerated technological research

Optimized network layout

- Established an **analysis model for battery exchange cabinets** and improved usage efficiency by redeploying under-utilized cabinets to busy areas
- Actively sought policy support and strengthened cooperation with labor unions in various regions



Improved service capabilities

- Continued to optimize intelligent customer service triage capabilities, **with a triage ratio of nearly 80%**
- Improved the closed-loop complaint handling management and control system, with a timely handling rate of 95%

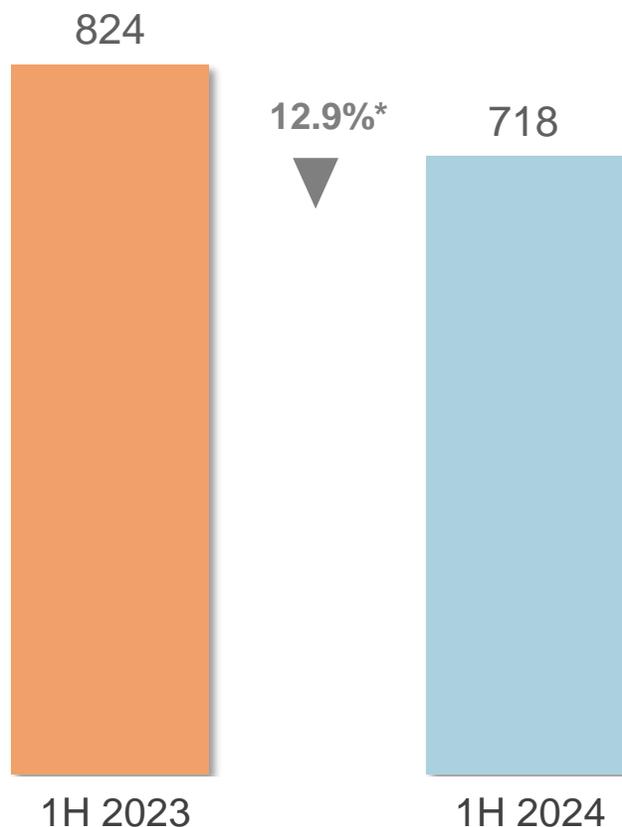
Strengthened user operations

- **Built user analysis models**, implemented classified management for different users
- Leveraged the opportunities brought by national policies on safe charging, **provided battery charging services for low-speed electric vehicles** to the community and expanded the customer base of battery exchange business

Sound Development of Power Backup Business

Revenue from power backup business

(RMB million)



*Excluding the one-off revenue impact of the FISU World University Games in the same period last year, it increased by 2% year-on-year

Deeply cultivated key industries and focused on typical scenarios

Cultivated 7 industries

Telecommunications

Finance

Education

Healthcare

Petrochemical

Government

security

Focused on typical scenarios

Base stations

Data shelters

Outdoor monitoring

Public institutions

...

Expanded service-oriented power backup model to build "energy butler" service brand

Promoted "power backup+" integrated solution

Taking the power backup business as the entry point to explore the needs related to customer monitoring, energy consumption monitoring and maintenance services

03

Financial Performance

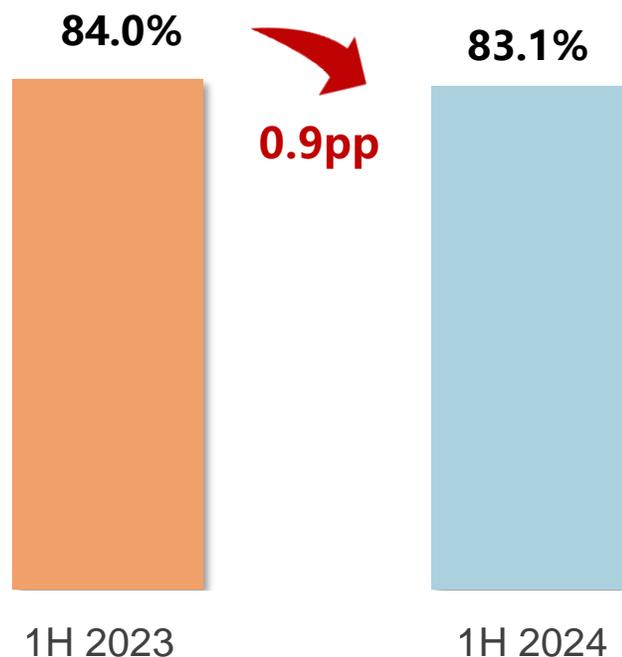
Hu Shaofeng
Chief Accountant

Key Financial Indicators

(RMB million)	1H 2023	1H 2024	Change
Operating revenue	46,461	48,247	3.8%
Operating expenses	39,047	40,101	2.7%
Operating profit	7,414	8,146	9.9%
EBITDA	32,021	33,045	3.2%
Net profit	4,841	5,330	10.1%
Operating cash flow	11,555	32,830	184.1%

Sound Cost Control

Operating expenses to revenue ratio



(RMB million)	1H 2023	1H 2024	Change
Operating expenses	39,047	40,101	2.7%
Depreciation and amortization	24,607	24,899	1.2%
Repairs and maintenance	3,559	3,397	-4.6%
Employee benefits and expenses	4,001	4,375	9.3%
Site operation and support expenses ¹	2,519	2,902	15.2%
Other operating expenses	4,361	4,528	3.8%
Of which: business development expenses ²	2,581	2,813	9.0%
Other expenses ³	1,780	1,715	-3.7%
Net finance costs	1,342	1,236	-7.9%

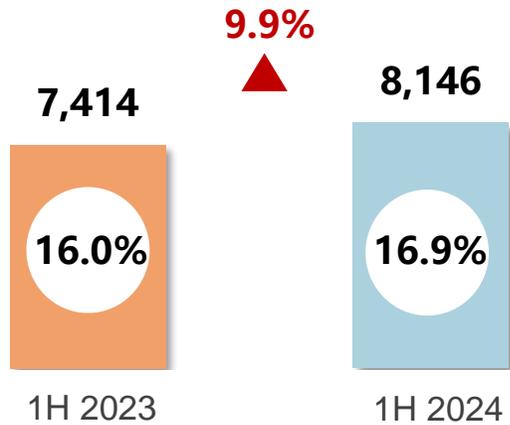
Note 1: Site operation and support expenses: Mainly includes short-term site rental fees directly incurred by site operation, electricity fees and maintenance fees, as well as IT service fees, vehicle usage fees related to site operation, etc.

Note 2: Business development expenses: Includes marketing expenses, technical support charges, utilities and cost of equipment sold related to the Two Wings business development

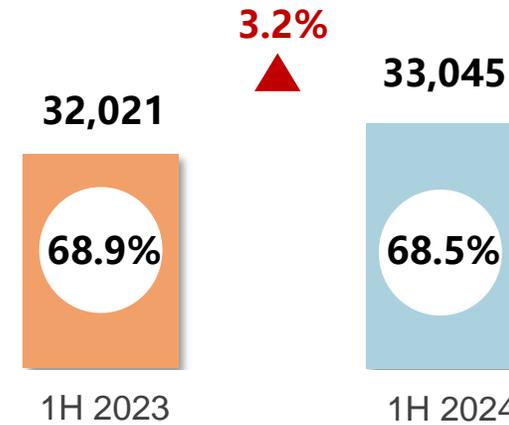
Note 3: Other expenses: Mainly includes asset impairment losses, losses on disposal of fixed assets, administration expenses, tax and others expenses, etc.

Profitability Continued to Improve

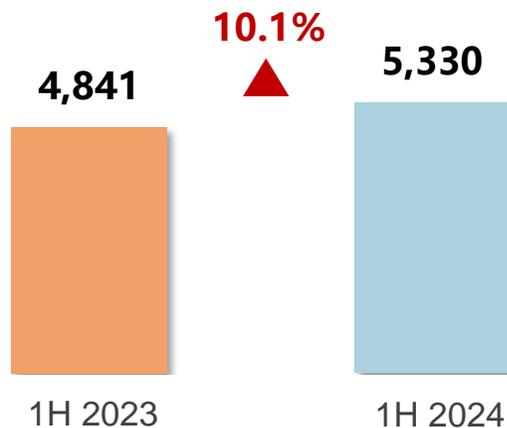
Operating profit and
operating profit margin
(RMB million)



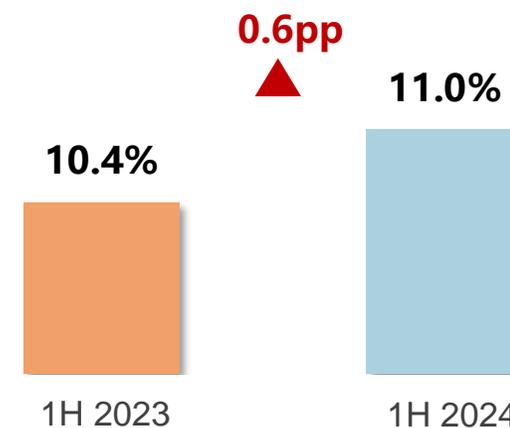
EBITDA & EBITDA margin
(RMB million)



Net Profit
(RMB million)



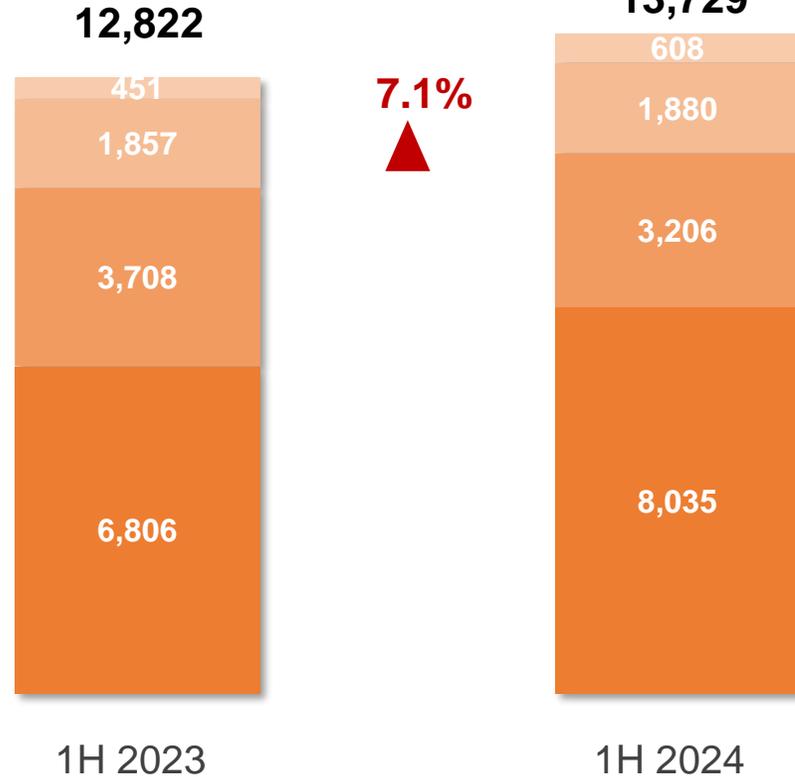
Net profit margin



Effective Allocation of CAPEX

CAPEX

(RMB million)



7.1%



- IT support and purchase of comprehensive building for production
- Two Wings business
- Site replacement and improvement
- New site construction and augmentation

Supported business development needs and construction capabilities

Accelerated effective allocation of CAPEX

Ensured close coordination with the operators' network construction plan, strived to fully obtain new construction demand, accelerated the progress of project construction and delivery

Based on the operating conditions of the physical assets to implement rectification of safety hazard and replacement and improvement, and safeguarded the long-term service capability of assets

Precisely allocated resources in the Two Wings business based on business needs, and continued to build platforms and implement product iteration and upgrading

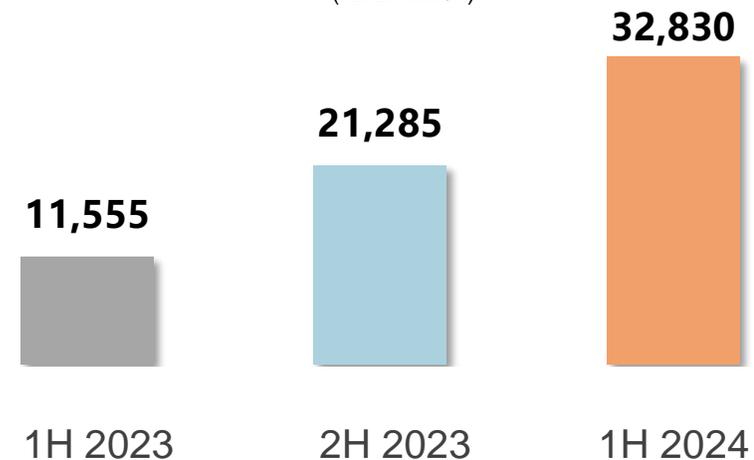
Developed product applications and solutions for key segments, strengthened core technological research, and enhanced the competitiveness of the Company's products

Cash Flow Continued to Improve

RMB million	1H 2023	1H 2024
Operating cash flow	11,555	32,830
Free cash flow	-1,267	19,101

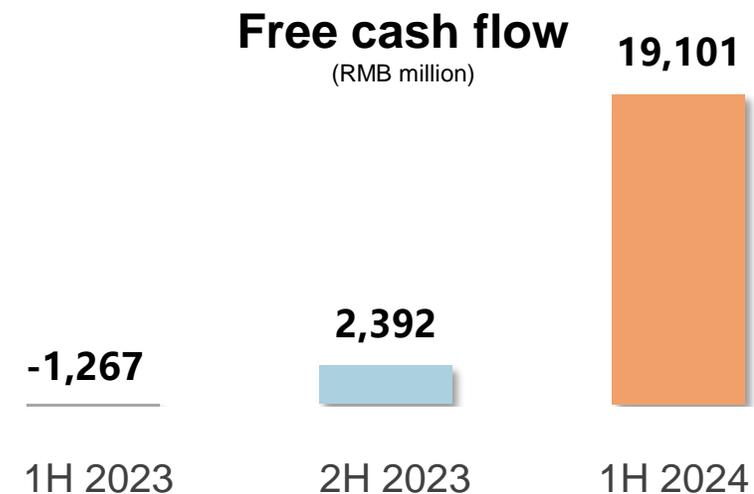
Operating cash flow

(RMB million)



Free cash flow

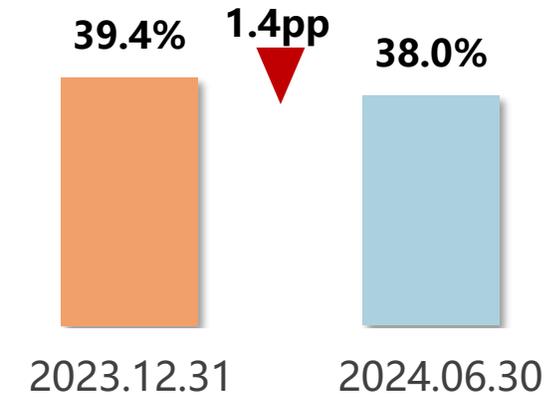
(RMB million)



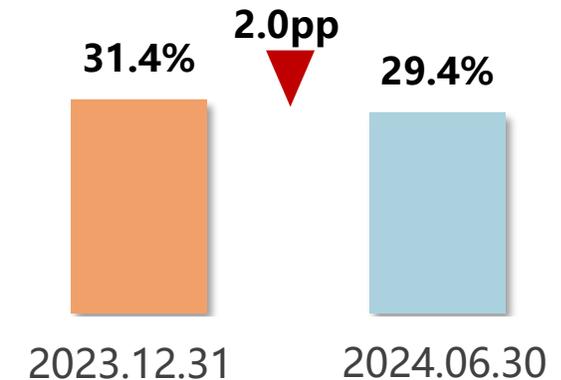
Capital Structure Remained Stable and Healthy

RMB million	As at 31 December 2023	As at 30 June 2024
Total assets	326,007	316,747
Cash and cash equivalents	3,955	4,049
Total liabilities	128,313	120,259
Interest bearing debt	94,626	85,985
Total equity	197,694	196,488

Liabilities to assets ratio



Gearing ratio



Appendix: Extracted from Unaudited Consolidated Statement of Financial Position as at 30 June 2024

(RMB million)

2023.12.31

2024.06.30

	2023.12.31	2024.06.30
Total assets	326,007	316,747
Current assets	78,083	76,220
Non-current assets	247,924	240,527
Property, plant and equipment	201,542	195,970
Construction in progress	12,313	11,464
Total liabilities	128,313	120,259
Current liabilities	63,934	65,244
Borrowings	23,786	24,601
Accounts payable	28,286	28,166
Non-current liabilities	64,379	55,015
Total equity	197,694	196,488

CHINA TOWER CORPORATION LIMITED
中国铁塔股份有限公司



Q&A

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