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**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)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**Highlights**

- ❖ Operating revenue maintained steady growth, reaching RMB97,772 million, up by 4.0%, of which:
  - Revenue from TSP business was RMB84,119 million, up by 2.4% over the same period last year, of which, revenue from Tower business was RMB75,689 million, up by 0.9%; revenue from indoor distributed antenna system (“DAS”) business was RMB8,430 million, up by 18.1%
  - Revenue from Smart Tower business was RMB8,911 million, up by 22.4%
  - Revenue from Energy business was RMB4,477 million, up by 6.2%
- ❖ Site co-location efficiency improved continuously; tower tenancy ratio increased from 1.79 at the end of 2023 to 1.81.
- ❖ Profitability enhanced constantly; EBITDA<sup>2</sup> was RMB66,559 million, up by 4.7%; profit attributable to owners of the Company was RMB10,729 million, up by 10.0%.
- ❖ Net cash generated from operating activities was RMB49,468 million; free cash flow<sup>3</sup> was RMB17,527 million.

Note 1: The financial information in this announcement is prepared based on the consolidated financial information. The Company and its subsidiaries are collectively referred to as the Group.

Note 2: EBITDA is calculated by operating profit plus depreciation and amortization.

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

## 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.

## 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<sup>4</sup> 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 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<sup>5</sup> 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 directors of the Company (the “**Board**”) has recommended a final dividend of RMB0.30796 per share (pre-tax)<sup>6</sup> 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)<sup>6</sup>, representing an increase of 11.5% compared to 2023 and equivalent to a payout ratio of 76% of our annual distributable net profit.

Note 4: EBITDA margin is calculated by dividing EBITDA by operating revenue, and multiplying the resulting value by 100%.

Note 5: 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 6: 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.

## 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.

### **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

## GROUP RESULTS

China Tower Corporation Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 extracted from the audited consolidated financial statements of the Group as set out in its 2024 annual report to be published in due course.

### Consolidated statement of comprehensive income

For the year ended 31 December 2024

(Expressed in RMB)

|                                      |             | <b>Year ended 31 December</b> |                      |
|--------------------------------------|-------------|-------------------------------|----------------------|
|                                      | <i>Note</i> | <b>2024</b>                   | <b>2023</b>          |
|                                      |             | <b>RMB million</b>            | <b>RMB million</b>   |
| <b>Operating revenue</b>             | 4           | <u>97,772</u>                 | <u>94,009</u>        |
| <b>Operating expenses</b>            |             |                               |                      |
| Depreciation and amortisation        |             | (50,229)                      | (49,049)             |
| Repairs and maintenance              |             | (6,992)                       | (7,408)              |
| Employee benefits and expenses       |             | (9,573)                       | (8,844)              |
| Site operation and support expenses  | 5           | (5,504)                       | (5,393)              |
| Other operating expenses             | 6           | <u>(9,144)</u>                | <u>(8,813)</u>       |
|                                      |             | <u>(81,442)</u>               | <u>(79,507)</u>      |
| <b>Operating profit</b>              |             | <u><b>16,330</b></u>          | <u><b>14,502</b></u> |
| Other gains, net                     |             | 365                           | 1,114                |
| Interest income                      |             | 63                            | 43                   |
| Finance costs                        |             | <u>(2,639)</u>                | <u>(2,827)</u>       |
| <b>Profit before income taxation</b> |             | <b>14,119</b>                 | 12,832               |
| Income tax expense                   | 7           | <u>(3,389)</u>                | <u>(3,082)</u>       |
| <b>Profit for the year</b>           |             | <u><b>10,730</b></u>          | <u><b>9,750</b></u>  |
| <b>Profit attributable to:</b>       |             |                               |                      |
| Owners of the Company                |             | 10,729                        | 9,750                |
| Non-controlling interests            |             | <u>1</u>                      | <u>—</u>             |



**Consolidated statement of comprehensive income (continued)**

For the year ended 31 December 2024

(Expressed in RMB)

|                                                             | <i>Note</i> | <b>Year ended 31 December</b> |                    |
|-------------------------------------------------------------|-------------|-------------------------------|--------------------|
|                                                             |             | <b>2024</b>                   | <b>2023</b>        |
|                                                             |             | <b>RMB million</b>            | <b>RMB million</b> |
| <b>Other comprehensive income for the year, net of tax</b>  |             |                               |                    |
| <i>Item that will not be reclassified to profit or loss</i> |             |                               |                    |
| Remeasurements of post-retirement benefit obligations       |             | <u>(3)</u>                    | <u>6</u>           |
| <b>Other comprehensive income for the year</b>              |             | <u>(3)</u>                    | <u>6</u>           |
| <b>Total comprehensive income for the year</b>              |             | <u>10,727</u>                 | <u>9,756</u>       |
| <b>Total comprehensive income for the year</b>              |             |                               |                    |
| <b>attributable to:</b>                                     |             |                               |                    |
| Owners of the Company                                       |             | 10,726                        | 9,756              |
| Non-controlling interests                                   |             | <u>1</u>                      | <u>—</u>           |
|                                                             |             | <u>10,727</u>                 | <u>9,756</u>       |
| <b>Basic and diluted earnings per share (in RMB Yuan)</b>   |             |                               |                    |
| Basic/diluted ( <i>restated</i> )                           | 8           | <u>0.6138</u>                 | <u>0.5578</u>      |

**Consolidated statement of financial position**

As at 31 December 2024

(Expressed in RMB)

|                                                           |             | <b>As at 31 December</b>  |                           |
|-----------------------------------------------------------|-------------|---------------------------|---------------------------|
|                                                           | <i>Note</i> | <b>2024</b>               | <b>2023</b>               |
|                                                           |             | <b><i>RMB million</i></b> | <b><i>RMB million</i></b> |
| <b>Assets</b>                                             |             |                           |                           |
| <b>Non-current assets</b>                                 |             |                           |                           |
| Property, plant and equipment                             |             | <b>192,770</b>            | 201,542                   |
| Construction in progress                                  |             | <b>12,718</b>             | 12,313                    |
| Right-of-use assets                                       | <i>9</i>    | <b>32,247</b>             | 31,083                    |
| Deferred income tax assets                                |             | <b>2,618</b>              | 2,208                     |
| Other non-current assets                                  |             | <b>1,121</b>              | 778                       |
|                                                           |             | <b>241,474</b>            | 247,924                   |
| <b>Current assets</b>                                     |             |                           |                           |
| Trade and other receivables                               | <i>10</i>   | <b>85,907</b>             | 71,685                    |
| Prepayments and other current assets                      |             | <b>2,855</b>              | 2,443                     |
| Cash and cash equivalents                                 |             | <b>2,598</b>              | 3,955                     |
|                                                           |             | <b>91,360</b>             | 78,083                    |
| <b>Total assets</b>                                       |             | <b>332,834</b>            | 326,007                   |
| <b>Equity and liabilities</b>                             |             |                           |                           |
| <b>Equity attributable to owners of the Company</b>       |             |                           |                           |
| Share capital                                             |             | <b>176,008</b>            | 176,008                   |
| Reserves                                                  |             | <b>23,970</b>             | 21,686                    |
| <b>Total equity attributable to owners of the Company</b> |             | <b>199,978</b>            | 197,694                   |
| <b>Non-controlling interests</b>                          |             | <b>1</b>                  | –                         |
| <b>Total equity</b>                                       |             | <b>199,979</b>            | 197,694                   |

**Consolidated statement of financial position (continued)**

As at 31 December 2024

(Expressed in RMB)

|                                     | <i>Note</i> | <b>As at 31 December</b><br><b>2024</b><br><i>RMB million</i> | <b>2023</b><br><i>RMB million</i> |
|-------------------------------------|-------------|---------------------------------------------------------------|-----------------------------------|
| <b>Liabilities</b>                  |             |                                                               |                                   |
| <b>Non-current liabilities</b>      |             |                                                               |                                   |
| Borrowings                          |             | <b>41,084</b>                                                 | 49,329                            |
| Lease liabilities                   | <i>9</i>    | <b>15,555</b>                                                 | 14,647                            |
| Deferred government grants          |             | <b>380</b>                                                    | 368                               |
| Employee benefit obligations        |             | <b>37</b>                                                     | 35                                |
|                                     |             | <b>57,056</b>                                                 | 64,379                            |
| <b>Current liabilities</b>          |             |                                                               |                                   |
| Borrowings                          |             | <b>28,525</b>                                                 | 23,786                            |
| Lease liabilities                   |             | <b>7,378</b>                                                  | 6,864                             |
| Accounts payable                    | <i>12</i>   | <b>33,269</b>                                                 | 28,286                            |
| Accrued expenses and other payables |             | <b>6,280</b>                                                  | 4,825                             |
| Current income tax payable          |             | <b>347</b>                                                    | 173                               |
|                                     |             | <b>75,799</b>                                                 | 63,934                            |
| <b>Total liabilities</b>            |             | <b>132,855</b>                                                | 128,313                           |
| <b>Total equity and liabilities</b> |             | <b>332,834</b>                                                | 326,007                           |

## Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

### 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 of Notes to the Consolidated Financial Statements of the Company’s 2024 Annual Report.

### 2. Summary of material accounting policies

#### 2.1 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.

### 3. 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 telecommunications service providers in China ("Three TSPs"), namely China Mobile Communications Group Co., Ltd. and all their subsidiaries ("CMCC Group"), China United Network Communications Group Company Limited and all their subsidiaries ("CUC Group"), and China Telecommunications Corporation and all their subsidiaries ("CTC Group"), respectively.

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               |
|            | <i>RMB million</i>     | <i>RMB million</i> |
| CMCC Group | 42,460                 | 42,191             |
| CTC Group  | 21,369                 | 20,793             |
| CUC Group  | 20,928                 | 19,764             |
|            | <u>84,757</u>          | <u>82,748</u>      |

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.

#### 4. Operating revenue

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

|                                     | Year ended 31 December     |                            |
|-------------------------------------|----------------------------|----------------------------|
|                                     | 2024<br><i>RMB million</i> | 2023<br><i>RMB million</i> |
| Tower business ( <i>Note (ii)</i> ) | 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                        |
|                                     | <u>97,772</u>              | <u>94,009</u>              |

*Note:*

- (i) Disaggregation of operating revenue:

|                                                   | Year ended 31 December     |                            |
|---------------------------------------------------|----------------------------|----------------------------|
|                                                   | 2024<br><i>RMB million</i> | 2023<br><i>RMB million</i> |
| <b>Operating revenue</b>                          |                            |                            |
| 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                        |
|                                                   | <u>97,772</u>              | <u>94,009</u>              |

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

|                                                      | Year ended 31 December     |                            |
|------------------------------------------------------|----------------------------|----------------------------|
|                                                      | 2024<br><i>RMB million</i> | 2023<br><i>RMB million</i> |
| Revenue from provision of Site Space                 | 64,103                     | 63,431                     |
| Revenue from Maintenance services and Power services | 11,586                     | 11,592                     |
|                                                      | <u>75,689</u>              | <u>75,023</u>              |



## 5. Site operation and support expenses

|                                                        | Year ended 31 December |                    |
|--------------------------------------------------------|------------------------|--------------------|
|                                                        | 2024                   | 2023               |
|                                                        | <i>RMB million</i>     | <i>RMB million</i> |
| 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                |
|                                                        | <u>5,504</u>           | <u>5,393</u>       |

## 6. Other operating expenses

|                                                                | Year ended 31 December |                    |
|----------------------------------------------------------------|------------------------|--------------------|
|                                                                | 2024                   | 2023               |
|                                                                | <i>RMB million</i>     | <i>RMB million</i> |
| Technical support charges ( <i>Note (i)</i> )                  | 3,915                  | 3,637              |
| (Gains)/losses on write-off/disposal of property and equipment | (541)                  | 378                |
| Utilities in other business operation ( <i>Note (ii)</i> )     | 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                |
|                                                                | <u>9,144</u>           | <u>8,813</u>       |

*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.

## 7. 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:

|                                                       | <b>Year ended 31 December</b> |                     |
|-------------------------------------------------------|-------------------------------|---------------------|
|                                                       | <b>2024</b>                   | <b>2023</b>         |
|                                                       | <b>RMB million</b>            | <b>RMB million</b>  |
| <b>Current tax</b>                                    |                               |                     |
| Current tax on estimated taxable profits for the year | <u>3,799</u>                  | <u>3,360</u>        |
| <b>Deferred tax</b>                                   |                               |                     |
| Origination/Reversal of temporary differences         | <u>(410)</u>                  | <u>(278)</u>        |
| <b>Income tax expenses</b>                            | <u><b>3,389</b></u>           | <u><b>3,082</b></u> |

Reconciliation between tax expenses and accounting profit at applicable tax rates:

|                                                     | <b>Year ended 31 December</b> |                     |
|-----------------------------------------------------|-------------------------------|---------------------|
|                                                     | <b>2024</b>                   | <b>2023</b>         |
|                                                     | <b>RMB million</b>            | <b>RMB million</b>  |
| <b>Profit before taxation</b>                       | <b>14,119</b>                 | 12,832              |
| Tax at PRC statutory tax rate of 25%                | <b>3,530</b>                  | 3,208               |
| Tax effect of preferential tax rate ( <i>Note</i> ) | <b>(208)</b>                  | (201)               |
| Tax effect of non-deductible expenses               | <b>97</b>                     | 105                 |
| Others                                              | <u><b>(30)</b></u>            | <u>(30)</u>         |
| <b>Income tax expenses</b>                          | <u><b>3,389</b></u>           | <u><b>3,082</b></u> |

*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.

## 8. 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.

|                                                                                                                                        | <b>Year ended 31 December</b> |                      |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------|
|                                                                                                                                        | <b>2024</b>                   | 2023<br>(restated)   |
| Profit attributable to owners of the Company (RMB million)                                                                             | <u>10,729</u>                 | <u>9,750</u>         |
| Weighted average number of ordinary shares in issue,<br>after adjusting for the Share Consolidation and<br>Capital Reduction (million) | <u>17,481</u>                 | <u>17,481</u>        |
| Basic earnings per share (in RMB Yuan)                                                                                                 | <u><u>0.6138</u></u>          | <u><u>0.5578</u></u> |

### (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.

## 9. Lease

- (a) The consolidated statement of financial position shows the following amounts relating to leases where the Group is a lessee:

|                                               | <b>Sites</b><br><i>RMB million</i> | <b>Buildings</b><br><i>RMB million</i> | <b>Land<br/>use rights</b><br><i>RMB million</i> | <b>Total</b><br><i>RMB million</i> |
|-----------------------------------------------|------------------------------------|----------------------------------------|--------------------------------------------------|------------------------------------|
| <b>Right-of-use assets:</b>                   |                                    |                                        |                                                  |                                    |
| 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                             |
| <b>Accumulated depreciation:</b>              |                                    |                                        |                                                  |                                    |
| 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)                           |
| <b>Closing net book amount:</b>               |                                    |                                        |                                                  |                                    |
| As at 31 December 2023                        | 29,339                             | 684                                    | 1,060                                            | 31,083                             |
| <b>Right-of-use assets:</b>                   |                                    |                                        |                                                  |                                    |
| 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                            |
| <b>Accumulated depreciation:</b>              |                                    |                                        |                                                  |                                    |
| 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)                           |
| <b>Closing net book amount:</b>               |                                    |                                        |                                                  |                                    |
| As at 31 December 2024                        | 30,531                             | 701                                    | 1,015                                            | 32,247                             |

|                          | As at<br>31 December<br>2024<br><i>RMB million</i> | As at<br>31 December<br>2023<br><i>RMB million</i> |
|--------------------------|----------------------------------------------------|----------------------------------------------------|
| <b>Lease Liabilities</b> |                                                    |                                                    |
| – Current                | 7,378                                              | 6,864                                              |
| – Non-current            | 15,555                                             | 14,647                                             |
|                          | <u>22,933</u>                                      | <u>21,511</u>                                      |

- (b) The consolidated statement of comprehensive income shows the following amounts relating to leases where the Group is a lessee:

|                                                            | Year ended 31 December<br>2024<br><i>RMB million</i> | 2023<br><i>RMB million</i> |
|------------------------------------------------------------|------------------------------------------------------|----------------------------|
| 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.

# 10. Trade and other receivables

|                                                        | As at<br>31 December<br>2024<br><i>RMB million</i> | As at<br>31 December<br>2023<br><i>RMB million</i> |
|--------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Trade receivables ( <i>Note (a)</i> )                  | 83,570                                             | 67,543                                             |
| Allowance for expected credit losses                   | (4,134)                                            | (2,706)                                            |
| <b>Trade receivables – net</b>                         | <b>79,436</b>                                      | <b>64,837</b>                                      |
| Deposits ( <i>Note (b)(ii)</i> )                       | 1,872                                              | 1,228                                              |
| Payments on behalf of customers ( <i>Note (b)(i)</i> ) | 4,600                                              | 5,518                                              |
| Others                                                 | –                                                  | 103                                                |
| Allowance for expected credit losses                   | (1)                                                | (1)                                                |
| <b>Other receivables – net</b>                         | <b>6,471</b>                                       | <b>6,848</b>                                       |
| <b>Trade and other receivables</b>                     | <b>85,907</b>                                      | <b>71,685</b>                                      |

As at 31 December 2024 and 2023, trade and other receivables were primarily denominated in RMB and their carrying amounts approximated their fair values.

## (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<br>31 December<br>2024<br><i>RMB million</i> | As at<br>31 December<br>2023<br><i>RMB million</i> |
|--------------------|----------------------------------------------------|----------------------------------------------------|
| 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                                                |
|                    | <b>83,570</b>                                      | <b>67,543</b>                                      |

Trade receivables are analysed by customers:

|            | As at<br>31 December<br>2024<br><i>RMB million</i> | As at<br>31 December<br>2023<br><i>RMB million</i> |
|------------|----------------------------------------------------|----------------------------------------------------|
| CMCC Group | 39,665                                             | 34,869                                             |
| CUC Group  | 19,796                                             | 16,111                                             |
| CTC Group  | 12,419                                             | 8,390                                              |
| Others     | 11,690                                             | 8,173                                              |
|            | <u>83,570</u>                                      | <u>67,543</u>                                      |

As at 31 December 2024, acceptance notes issued by banks 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.

## 11. Dividends

### (i) Dividends declared

| Year ended 31 December |                    |
|------------------------|--------------------|
| 2024                   | 2023               |
| <i>RMB million</i>     | <i>RMB million</i> |

#### 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 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).

### (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), 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               |
| <i>RMB million</i>     | <i>RMB million</i> |

#### 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 |
|-------|-------|

## 12. 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<br>31 December<br>2024<br><i>RMB million</i> | As at<br>31 December<br>2023<br><i>RMB million</i> |
|--------------------|----------------------------------------------------|----------------------------------------------------|
| Within 6 months    | 24,418                                             | 23,127                                             |
| 6 months to 1 year | 4,095                                              | 2,675                                              |
| Over 1 year        | 4,756                                              | 2,484                                              |
|                    | <u>33,269</u>                                      | <u>28,286</u>                                      |



## **FINANCIAL OVERVIEW**

(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:

| <i>(RMB million)</i>     | 2024            |                                       | 2023            |                                       |
|--------------------------|-----------------|---------------------------------------|-----------------|---------------------------------------|
|                          | Total<br>amount | Proportion<br>in operating<br>revenue | Total<br>amount | Proportion<br>in operating<br>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%                                  |

### ***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.

### ***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:

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

| <i>(RMB million)</i>                             | 2024            |            | 2023            |            |
|--------------------------------------------------|-----------------|------------|-----------------|------------|
|                                                  | Total<br>amount | Proportion | Total<br>amount | 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%       |

***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.

## OTHER INFORMATION

### 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).

### Audit Committee

The audit committee of the Board (the "**Audit Committee**"), together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including the review of the audited consolidated financial statements for the financial year ended 31 December 2024.

### Compliance with the Corporate Governance Code and the Listing Rules

The Company is committed to maintaining a high standard of corporate governance. For the year ended 31 December 2024, the Company had complied with the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for the followings:

On 6 December 2023, Mr. Gu Xiaomin ("**Mr. Gu**") resigned from his positions as an executive director of the Company ("**Director(s)**"), the general manager of the Company, a member of the strategy committee and the connected transaction committee of the Board, 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 ("**Mr. Chen**") was appointed as the general manager of the Company. Upon such appointment, the Company has re-complied with the above-mentioned requirement.

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 of the Board, by reason of age. Following the resignation of Mr. Zhang, the composition of the nomination committee of the Board 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 as an executive Director was approved at the 2023 annual general meeting of the Company held on 20 May 2024. 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 (“**Ms. Zhang**”) as an independent non-executive Director and her appointment was subject to the approval from the shareholders of the Company (the “**Shareholders**”) at the extraordinary general meeting of the Company held on 13 September 2024 (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 Stock Exchange of Hong Kong Limited (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 as an independent non-executive Director was approved at the 2024 First EGM. On the same day, Mr. Chen was appointed as a member of each of the strategy committee and the connected transaction committee of the Board; Ms. Zhang 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 of the Board.

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 of the Board 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.

### **Compliance with the Model Code**

The Company has adopted the Code of Conduct for Securities Transactions by the Directors, Supervisors and Relevant Employees of China Tower Corporation Limited (the “**Company Code**”) which is substantially based on the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules and is on terms no less exacting than those in 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 Company Code and the Model Code during the year ended 31 December 2024.

### **Event after the Reporting Period**

#### ***Share Consolidation and Capital Reduction and Change in Board Lot Size***

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**”). The Board also proposed to change the board lot size for trading on the Hong Kong Stock Exchange from 2,000 existing H shares to 500 consolidated and reduced H shares conditional upon the Share Consolidation and Capital Reduction becoming effective.



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.

As all conditions precedent of the Share Consolidation and Capital Reduction have been fulfilled, 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 at 9:00 a.m. on 20 February 2025.

For details, 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.

### **Contingent Liabilities**

As at 31 December 2024, the Company had no contingent liabilities.

### **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.

### **Annual General Meeting**

The Company will hold the annual general meeting on 20 May 2025 (the “**2024 AGM**”). Notice of the 2024 AGM will be published on the website of the Company ([www.china-tower.com](http://www.china-tower.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)), and will be made available to the Shareholders in due course.

### **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<sup>7</sup>, 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.

Note 7: Southbound Shareholders means the holders of H shares of the Company (including enterprises and individuals) who invest in the H shares of the Company listed on the Hong Kong Stock Exchange through the Southbound Trading.

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<sup>8</sup>, will receive all dividends distributed by the Company and will distribute the dividends to the relevant Shareholders under the Southbound Trading through its depository 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                |

Note 8: Southbound Trading means the trading of H shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai Stock Exchange or Shenzhen Stock Exchange.

During the above closure periods, no transfer of H shares of the Company 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.

### **Publication of Annual Results Announcement and Annual Report**

This announcement is published on the website of the Company ([www.china-tower.com](http://www.china-tower.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

The 2024 annual report will be published on the website of the Company ([www.china-tower.com](http://www.china-tower.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)), and will be made available to the Shareholders in due course.

### **Forward Looking Statements**

The performance and the results of the operations of the Company contained in this announcement 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 announcement 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 this announcement; 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.

By Order of the Board  
**China Tower Corporation Limited**  
**Zhang Zhiyong**  
*Chairman*

Beijing, China, 17 March 2025

*As at the date of this announcement, the Board of the Company comprises:*

|                                            |                                                                                  |
|--------------------------------------------|----------------------------------------------------------------------------------|
| <i>Executive directors</i>                 | <i>: Zhang Zhiyong (Chairman of the Board) and<br/>Chen Li (General Manager)</i> |
| <i>Non-executive directors</i>             | <i>: Tang Yongbo, Liu Guiqing and Fang Xiaobing</i>                              |
| <i>Independent non-executive directors</i> | <i>: Dong Chunbo, Hu Zhanghong, Sin Hendrick and<br/>Zhang Wei</i>               |