



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

Innovation and Sharing Driving High-quality Development

Interim Report 2024





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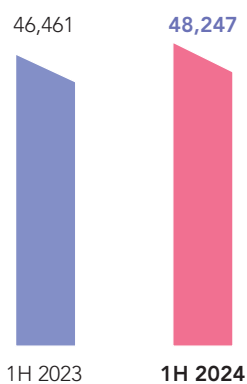
PERFORMANCE HIGHLIGHTS

RMB million	1H 2024	1H 2023	Change
Operating revenue	48,247	46,461	3.8%
of which			
TSP business	42,121	40,905	3.0%
Smart Tower business	3,982	3,386	17.6%
Energy business	2,023	1,975	2.4%
Operating profit	8,146	7,414	9.9%
EBITDA ¹	33,045	32,021	3.2%
Profit attributable to owners of the Company	5,330	4,841	10.1%
Capital expenditure	13,729	12,822	7.1%
Net cash generated from operating activities	32,830	11,555	184.1%
Basic earnings per share (RMB Yuan)	0.0305	0.0277	10.1%

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

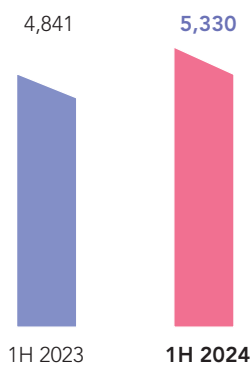
Operating revenue

(RMB million)



Profit attributable to owners of the Company

(RMB million)



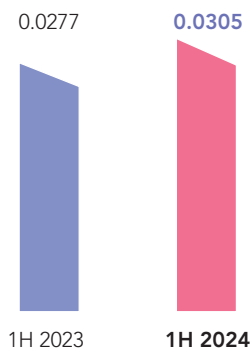
EBITDA

(RMB million)



Basic earnings per share

(RMB Yuan)



CHAIRMAN'S STATEMENT



Zhang Zhiyong

Chairman of the Board

Dear Shareholders,

In the first half of 2024, China Tower Corporation Limited (the “**Company**” or “**we**”) continued to uphold its founding philosophy of resource sharing, positioning itself as a “world-class integrated digital infrastructure service provider and a highly competitive information and new energy applications provider”. We continuously deepened our “One Core and Two Wings” strategy, and centered our business around sharing, service, innovation, technology, and value creation, establishing an operating system that is professional, intensive, delicate, efficient, and digitalized. The Company’s businesses achieved satisfactory performance, reinforcing our core competitiveness, while maintaining steady growth.

FINANCIAL PERFORMANCE

Our operating revenue grew steadily in the first half of 2024 to RMB48,247 million, an increase of 3.8% year-on-year. EBITDA reached RMB33,045 million, an increase of 3.2% year-on-year, with an EBITDA margin² of 68.5%. Profit attributable to the owners of the Company was RMB5,330 million, an increase of 10.1% year-on-year and with a net profit margin of 11.0%, demonstrating further improved profitability.

Our cash flow improved significantly in the first half of 2024, with net cash generated from operating activities amounting to RMB32,830 million, an increase of RMB21,275 million year-on-year. Capital expenditures stood at RMB13,729 million, with free cash flow³ reaching RMB19,101 million, up by RMB20,368 million year-on-year. As of 30 June 2024, our total assets amounted to RMB316,747 million, with interest-bearing liabilities of RMB85,985 million and a gearing ratio⁴ of 29.4%, representing a decrease of 2.0 percentage points from the end of 2023. Our financial position remains healthy and stable.

Chairman's Statement

We remain committed to providing stable returns to our shareholders. After considering our profitability, cash flow and future needs for development, the board of directors of the Company (the “**Board**”) has recommended the payment of an interim dividend of RMB0.01090 per share (pre-tax) for the first time; full-year dividend to be distributed in cash in 2024 will not be less than 75% of the annual distributable net profit for the year under review. We will work towards realizing healthy growth in annual dividend payment per share and creating greater value for shareholders.

BUSINESS PERFORMANCE

During the first half of 2024, we continued to seize the development opportunities resulting from the state strategies of “Cyberpower”, “Digital China”, and “Dual Carbon” goals. By working together as one team, we continuously strengthened resource coordination and sharing capabilities, while enhancing reforms and innovations, and pursuing business development underscored by effective improvement in operations and coordinated growth in scale.

Reinforced advantages enabled stable growth in TSP business

We actively implemented the state strategies of “Cyberpower” and “Digital China”, strengthened resource coordination and sharing, and enhanced operational efficiencies. We worked closely with TSPs to increase 5G network construction to fully meet customer network construction needs, while continuing to promote the expansion of 5G network coverage in breadth and depth. This has solidified the foundation for our TSP business to achieve high-quality development. In the first half of 2024, our TSP business generated revenue of RMB42,121 million, an increase of 3.0% year-on-year.

Tower business. Through tackling the Dual-Gigabit network joint-entry and challenging projects, as well as special projects such as signal strength upgrade and extension of broadband coverage to all border areas, we used this core competency to help us generate business results. We focused on key scenarios such as high-speed railways and residential properties, as well as new construction needs for low-frequency network construction, relocation and reconstruction. We increased our efforts in tackling difficult sites, reduced entry barriers and costs, and were able to fully meet new construction demands from customers. By adhering to the philosophy of being client-focused across the entire process of demand matching and acquisition, order delivery, billing and payment collection, we consistently optimized our management mechanisms, enhanced service capabilities and customer satisfaction. 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 5G network plans.

In the first half of 2024, our Tower business revenue reached RMB37,957 million, up by 1.3% year-on-year. As of 30 June 2024, the Company managed a total of 2.07 million tower sites, an increase of 24,000 sites compared to the end of 2023. We gained 69,000 new TSP tenants since the end of 2023, bringing the total number of TSP tenants to 3.493 million. Our TSP tenancy ratio increased from 1.68 at the end of 2023 to 1.71 as a result of further improvements achieved through site co-location.

Chairman's Statement

DAS business. With the implementation of “co-build and co-share” policies and the “Technical Standard for Mobile Communications Infrastructure Engineering of Buildings” issued by fourteen ministries and committees as the starting point, we strengthened 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, expanded the scale of demand for high-value business scenarios, and effectively improved services to support new DAS segments. Leveraging our advantages of coordinated site entry and construction, and the co-built and co-share policies, we actively implemented special projects for covering elevators and underground parking lots to help TSPs quickly and efficiently improve network coverage in people's livelihood scenarios and achieve signal strength upgrade. We continued to enhance product and solution design capabilities, capitalizing on our competitive advantages in cost, service quality as well as green and low-carbon operations. We enhanced our innovation of DAS shared products, which enabled us to provide customers with differentiated active and passive DAS sharing solutions, helping satisfy the demand for 5G upgrading of existing DAS.

In the first half of 2024, our revenue from DAS business reached RMB4,164 million, an increase of 21.6% compared to the same period last year. As of 30 June 2024, we had covered buildings with a cumulative area of 11,540 million square meters, up by 30.8% year-on-year, while the coverage in high-speed railway tunnels and subways totaled a cumulative length of 26,385 kilometers, representing an increase of 19.2% over the same period last year.

Seized opportunities to maintain healthy growth of Two Wings business

In the first half of 2024, we seized opportunities brought by the development of the “Digital Economy” and the “Dual Carbon” goals. We focused on product innovation, optimized business planning, continuously improved our core competencies, and strengthened the scale and quality of the development of our Two Wings business. In the first half of 2024, the revenue of the Two Wings business reached RMB6,005 million and accounted for 12.4% of our overall operating revenue, an increase of 0.9 percentage point over the same period last year.

Smart Tower business. Leveraging our resource of mid-to-high point sites, we continued the upgrading of “telecommunication towers” to “digital towers” and “telecommunication shelters” to “digital shelters”. This enabled us to better support the development strategies of “Digital China” and “Beautiful China”, while driving rapid growth in our business. **We enhanced our Smart Tower business across vertical businesses**, expanding our mid-to-high point site resources to serve and support more than 40 industry segments including environmental protection, land, forestry and grassland, water resources, and emergency response. We maintained our market leadership in scenario-based solutions including straw-burning prohibition, supervision of oil and gas pipelines, and farmland protection. **We enhanced product innovation**, improved core competencies in platforms, algorithms, industry applications and products, and fortified the distributed deployment on our platform and centralized data operations. The resourceful open algorithm warehouse provides 160 mid-to-high point site-specific algorithms to serve multiple segmented scenarios. **We intensified collaboration within the ecosystem.** We carried out in-depth collaboration with partners along the industry chain in various aspects such as algorithm, platform, applications, and terminals, and actively built up an ecosystem of win-win collaboration. The ecosystem effectively drove resource circulation and led industry development. **We enhanced our “companion” service system**, developing and upgrading products and applications to meet customer needs. We improved our professional network management platform, scaled the promotion of intelligent terminal monitoring and integrated distribution units (IDU), reinforced our localized support and services, responded to customer demands in a timely manner, and continuously improved customer satisfaction.

Chairman's Statement

In the first half of 2024, the Smart Tower business achieved revenue of RMB3,982 million, a year-on-year increase of 17.6%, of which RMB2,509 million or 63.0% was generated from Tower Monitoring business.

Energy business. We focused on key business segments such as battery exchange and power backup, exercising refined operation, leveraging product, service, and platform advantages, continuously building core competitiveness and promoting the healthy development of our Energy business. For our **battery exchange business**, we continued to optimize our service quality through product developments and upgrades, achieving steady expansion of our customer base. As of 30 June 2024, we had approximately 1.217 million battery exchange users, an increase of 72,000 from the end of 2023, further maintaining our leading position in the market for battery exchange for low-speed electric vehicles. In addition, the Company leveraged the opportunities brought by national policies on safe charging and our own capabilities and advantages, promoted the economic and efficient layout of community charging infrastructure and provided safe and convenient battery charging services for low-speed electric vehicles to the community and laid the foundation for expanding the customer base of battery exchange business. In our **power backup business**, we tapped into key sectors, focused on typical scenarios, and vigorously expanded "service-oriented" power backup model. With standardized power backup products at its core, we combined digital monitoring, energy consumption, and safety services to form a comprehensive "power backup +" solution and build "energy butler" service brand.

In the first half of 2024, our Energy business achieved revenue of RMB2,023 million, a year-on-year increase of 2.4%, of which the battery exchange business accounted for RMB1,163 million, with its contribution to the Energy business reaching 57.5%.

Increased research and development to drive rapid improvement of scientific and technological innovation

The Company further promoted the working mechanisms including the "four lists" of competencies and capabilities, task and project planning, resource allocation, and the commercialization of research outcomes, and accelerated improvements in scientific and technological innovation. **We increased R&D in key core technologies**, focused on cutting-edge technologies and industry advancement, laid out ten major research tasks for areas including future sectors and intelligent operation and maintenance, established a list of key core technologies, intensified our R&D efforts, and made progress in various ITU international standards-setting projects. **We further promoted scientific and technological achievements.** We carried out classified management and policies to promote the transformation of scientific and technological achievements, and accelerated the transformation of technological achievements into practical productivity. **We set up six scientific and technological innovation centers** focusing on specific fields such as 5G/6G, IoT and edge computing. These facilities contributed to accelerating the building of innovation highlands that integrate product R&D, achievements transformation, industry incubation, and talent cultivation. **We continuously expanded the ecosystem of technological innovation**, gathering high-quality innovation resources to carry out cooperation on integration and innovation. We also constantly expanded innovation cooperation with key tertiary institutions, scientific research institutions, and technology companies in the fields of AI, 5G/6G, edge computing, energy saving and carbon reduction, and network information security.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

We maintain a high standard of corporate governance. We strictly adhere to the rules and regulations governing listed companies and other regulatory requirements. We also seek ways to improve governance mechanisms and systems, and strengthen internal controls and legal compliance systems. Together, these enhance our overall risk management, ensure objective decision-making, efficient operations and manageable risks, and provide a solid foundation for safeguarding the Company's healthy and sustainable development.

We have always focused on the harmonious coexistence of economic, social, and environmental developments. We integrate the concept of social responsibility into the Company's reforms, developments and operations. The high standard we set for ourselves in fulfilling social responsibilities has earned recognition from our stakeholders. In the first half of 2024, we continued to fulfill our role and mission as a "National Team" and "Main Force" in communications infrastructure building. To fully implement the concept of green development, we actively promoted major projects such as the "Digital Infrastructure Co-built and Co-share Project", "5G Base Station Energy-Saving Innovation Project", and "Smart Energy Service Project", contributing to the "Dual Carbon" goals. We successfully completed major communication and network information security services, including for the 14th National Winter Games and the "Two Sessions". By leveraging our nationwide monitoring platform to facilitate government-led disaster relief command and coordination efforts, we ensured well executed communication support during successful emergency responses to natural disasters such as cold spells, snow, ice, earthquakes, and rainstorms, as well as protected the safety of people's lives and properties. We continued to improve the construction of telecommunications infrastructure in remote areas, helping TSPs to provide inclusive telecommunications services and narrowing the digital divide. As part of efforts to support the comprehensive rural revitalization, we helped designated areas with poverty alleviation, improving people's lives and contributing to the harmonious development of society.

OUTLOOK

In the second half of the year, under the guidance of our established strategy, we will seek to further enhance our core competitiveness in order to achieve steady growth in our enterprise value, while creating greater returns for shareholders, customers, and society.

TSP business: In responding to the development opportunities in mobile communication infrastructure construction brought about by the national deployment of 5G-A, the "Dual-Gigabit" network joint-entry and challenging projects, the "Signal Enhancement" and "Broadband to Border Areas" campaigns, we are dedicated to leveraging our expertise in resource coordination and sharing as well as meeting our clients' network construction needs. We will consistently innovate to enhance our service capabilities, aiming to implement comprehensive mobile network solutions. Our mission is to provide services with optimal costs, efficient delivery, and superior maintenance, while minimizing management risks, ultimately solidifying our dominant market position and driving our TSP business towards sustainable growth.

Smart Tower business: We will focus on digital-intelligence spatial governance and continue to reinforce our presence in key sectors of ecology, security, and people's livelihoods. We will develop our leadership in platform, algorithms, terminals, operations, and security with capabilities in "tower + big data + AI + edge computing", build a unique mid-to-high point perception network, and proactively advance our positioning in emerging industries such as edge computing and low-altitude economy, to empower and accelerate the digital and intelligent transformation and upgrading of industry digital intelligence governance. Our Smart Tower business sustained a rapid growth.

Chairman's Statement

Energy business: We will continue to refine the deployment of the battery exchange network, enhance the delicate operation of assets, and optimize the customer service experience to boost user loyalty. We will expand our customer base, and continue to solidify our leading position in the low-speed electric vehicles battery exchange market. By focusing on pivotal industries such as telecommunications and finance, along with key scenarios, we will strengthen the promotion of the standardized products and the "power backup +" integrated solution suite, and continue to build our "energy butler" service brand. We will also actively explore and initiate trials for comprehensive energy services such as green energy, energy storage, and energy conservation to facilitate green carbon reduction and contribute to the country's "Dual Carbon" targets and to promote the development of our Energy business.

Moving forward, our Company remains committed to driving technological innovation and the effective transformation of these innovations into practical applications. We aim to foster a deep synergy between scientific innovation and industrial advancement. With a focus on key areas, we will intensify our efforts to develop core technologies and implement tailored strategies to expedite the dissemination and application of scientific and technological outcomes. We are dedicated to vigorously nurturing and growing new quality productive forces, steering the high-quality development of "One Core and Two Wings" business through technological innovation.

Finally, I would like to take this opportunity to warmly welcome Mr. Chen Li, who has joined us as executive Director and General Manager, on behalf of the Board. Mr. Chen possesses profound management experience in the communications industry and will make significant contributions to the Company's development with his outstanding capabilities and professional expertise.

On behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders, customers, and the general public for their support, and I sincerely thank all our employees for their hard work and dedication.



Zhang Zhiyong
Chairman

Beijing, China, 7 August 2024

- Note 1: The financial information mentioned in this report is prepared based on the consolidated financial information. The Company and its subsidiaries are collectively referred to as the Group.
- Note 2: EBITDA margin is calculated by dividing EBITDA by operating revenue, and multiplying the resulting value by 100%.
- Note 3: Free cash flow is the net cash generated from operating activities minus the capital expenditures.
- Note 4: Gearing ratio is calculated as net debts divided by the sum of total equity and net debt, then multiplied by 100%. Net debt is calculated as the amount of interest-bearing liabilities minus the amount of cash and cash equivalents.

FINANCIAL OVERVIEW

(Expressed in RMB unless otherwise indicated)

OPERATING REVENUE

In the first half of 2024, the Company, based on resource sharing, grasped the development opportunities brought by the 5G new infrastructure, "Digital Economy", and "Dual Carbon" strategies, continued to deepen the "One Core and Two Wings" strategy, and maintained a steady and healthy growth in operating revenue. In the first half of 2024, the operating revenue reached RMB48,247 million, up by 3.8% over the same period last year, of which the revenue from TSP business reached RMB42,121 million, up by 3.0% over the same period last year; the revenue from Smart Tower business reached RMB3,982 million, up by 17.6% over the same period last year; and the revenue from Energy business reached RMB2,023 million, up by 2.4% over the same period last year. The revenue structure continued to improve, as the proportion of operating revenue generated from non-tower businesses, including the DAS business and the Two Wings business, increased from 19.3% over the same period last year to 21.3%.

OPERATING EXPENSES

The Company carried out in-depth special campaigns to reduce cost by referencing benchmarks and enhancing quality and efficiency, resulting in the continuous improvement in cost efficiency. In the first half of 2024, the operating costs amounted to RMB40,101 million, up by 2.7% over the same period last year. The operating costs accounted for 83.1% of the operating revenue, down by 0.9 percentage point over the same period last year, of which:

- **Depreciation and amortisation**

The Company actively carried out life extension of assets, which reasonably guaranteed the continued operation of aged assets, while appropriately accelerating effective investment to align with business development and capacity building needs. The depreciation and amortisation amounted to RMB24,899 million in the first half of 2024, up by 1.2% over the same period last year.

- **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 efficient utilization of repairs and maintenance expenses. The repairs and maintenance expenses amounted to RMB3,397 million in the first half of 2024, down by 4.6% over the same period last year. The proportion of repairs and maintenance expenses to operating revenue decreased by 0.6 percentage point over the same period last year.

Financial Overview

(Expressed in RMB unless otherwise indicated)

- **Employee benefits and expenses**

In the first half of 2024, the employee benefits and expenses amounted to RMB4,375 million, up by RMB374 million over the same period last year, which was primarily due to the Company's promotion of innovative development strategies and regional management reform, appropriately introducing middle and high-end scientific and technological talents and regional managerial personnel for business development, while simultaneously strengthening performance-linked incentives, thereby further boosting its development momentum.

- **Site operation and support expenses**

In the first half of 2024, the site operation and support expenses amounted to RMB2,902 million, up by RMB383 million over the same period last year. With the increased scale of sites and the expansion of the indoor coverage of scenarios and premises such as commercial buildings, elevators, and underground parking lots, site operation expenses were up by RMB153 million over the same period last year, and IT support expenses related to site operation were up by RMB157 million over the same period last year.

- **Other operating expenses**

In the first half of 2024, other operating expenses amounted to RMB4,528 million, up by RMB167 million over the same period last year. In order to support the development of the Two Wings business, the Company strengthened its product technical solution support and marketing efforts, with the technical support service fees and sales expenses for the Two Wings business increasing by RMB399 million over the same period last year.

FINANCE COSTS

As the Company enhanced centralized fund management, the balance of interest-bearing liabilities decreased by RMB8,641 million as compared to the beginning of 2024. Meanwhile, benefiting from low-cost financing through multiple channels, the Company's overall finance costs remained at a relatively low level. The Company's net finance costs amounted to RMB1,236 million in the first half of 2024, down by 7.9% over the same period last year.

PROFITABILITY

In the first half of 2024, the Company recorded an operating profit of RMB8,146 million. Profit attributable to owners of the Company amounted to RMB5,330 million, up by 10.1% over the same period last year. In the first half of 2024, EBITDA reached RMB33,045 million, up by 3.2% over the same period last year, which accounted for 68.5% of the operating revenue, maintaining a relatively high level.

Financial Overview

(Expressed in RMB unless otherwise indicated)

CAPITAL EXPENDITURES AND CASH FLOW

In the first half of 2024, the Company accelerated its investment of capital expenditures to align with business development and capacity-building needs. The capital expenditures for the first half of 2024 were RMB13,729 million, up by 7.1% over the same period last year. The Company was closely aligned with TSPs' network planning, comprehensively captured the demand for 5G tower construction and the demand for DAS in key scenarios and premises, as well as expedited project construction and delivery. The capital expenditures for new site construction and augmentation were RMB8,035 million, up by 18.1% over the same period last year. The Company is committed to improving the long-term service capabilities of its assets. Based on the operational status of physical assets, the Company carried out safety hazard inspection as well as replacement and improvement works in an orderly manner. The capital expenditures for site replacement and improvement were RMB3,206 million in the first half of 2024, down by 13.5% over the same period last year. For the Two Wings business, resources were allocated precisely according to business needs, with continuous platform development and product iteration. The capital expenditures for Two Wings business were RMB1,880 million, up by 1.2% over the same period last year.

In 2024, following the full implementation of the new phase of the Commercial Pricing Agreements, the Company's cash flow has improved significantly. In the first half of 2024, net cash generated from operating activities amounted to RMB32,830 million, representing an increase of RMB21,275 million over the same period last year and an increase of RMB11,545 million as compared with the second half of last year. Free cash flow for the first half of 2024 was RMB19,101 million, representing an increase of RMB20,368 million over the same period last year and an increase of RMB16,709 million as compared with the second half of last year.

BALANCE SHEET STATUS

As of 30 June 2024, the Company's total assets were RMB316,747 million, and total liabilities were RMB120,259 million, of which the net debts amounted to RMB81,936 million. The liabilities to assets ratio was 38.0%, representing a decrease of 1.4 percentage points as compared with the beginning of the year.

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT



To the Board of Directors of China Tower Corporation Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 13 to 36 which comprises the consolidated statement of financial position of China Tower Corporation Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as of 30 June 2024 and the related consolidated statement of comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the International Auditing and Assurance Standards Board. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

7 August 2024

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024
(Expressed in Renminbi ("RMB"))

	Note	Unaudited Six months ended 30 June	
		2024 RMB million	2023 RMB million
Operating revenue	5	48,247	46,461
Operating expenses			
Depreciation and amortisation		(24,899)	(24,607)
Repairs and maintenance		(3,397)	(3,559)
Employee benefits and expenses	6	(4,375)	(4,001)
Site operation and support expenses	7	(2,902)	(2,519)
Other operating expenses	8	(4,528)	(4,361)
		(40,101)	(39,047)
Operating profit		8,146	7,414
Other gains, net		127	283
Interest income		44	19
Finance costs	9	(1,280)	(1,361)
Profit before taxation		7,037	6,355
Income tax expenses	10	(1,707)	(1,514)
Profit for the period		5,330	4,841
Profit attributable to:			
– Owners of the Company		5,330	4,841
– Non-controlling interests		–	–
Other comprehensive income for the period, net of tax		–	–
Total comprehensive income for the period		5,330	4,841
Total comprehensive income attributable to:			
– Owners of the Company		5,330	4,841
– Non-controlling interests		–	–
		5,330	4,841
Basic and diluted earnings per share (in RMB Yuan)			
Basic/diluted	11	0.0305	0.0277

The notes on pages 19 to 36 are an integral part of this interim financial report.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024
(Expressed in RMB)

	Note	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Assets			
Non-current assets			
Property, plant and equipment	12	195,970	201,542
Construction in progress	12	11,464	12,313
Right-of-use assets	13	29,783	31,083
Deferred income tax assets		2,340	2,208
Other non-current assets		970	778
		240,527	247,924
Current assets			
Trade and other receivables	14	69,666	71,685
Prepayments and other current assets	15	2,505	2,443
Cash and cash equivalents	16	4,049	3,955
		76,220	78,083
Total assets		316,747	326,007
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	17	176,008	176,008
Reserves		20,480	21,686
Total equity attributable to owners of the Company		196,488	197,694
Non-controlling interests		–	–
Total equity		196,488	197,694

The notes on pages 19 to 36 are an integral part of this interim financial report.

Unaudited Interim Consolidated Statement of Financial Position (Continued)

As at 30 June 2024
(Expressed in RMB)

	Note	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Liabilities			
Non-current liabilities			
Borrowings	18(a)	40,892	49,329
Lease liabilities	13	13,663	14,647
Deferred government grants	19	424	368
Employee benefit obligations		36	35
		55,015	64,379
Current liabilities			
Borrowings	18(a)	24,601	23,786
Lease liabilities	13	6,829	6,864
Accounts payable	20	28,166	28,286
Accrued expenses and other payables	21	5,629	4,825
Current income tax payable		19	173
		65,244	63,934
Total liabilities		120,259	128,313
Total equity and liabilities		316,747	326,007

The notes on pages 19 to 36 are an integral part of this interim financial report.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024
(Expressed in RMB)

	Attributable to owners of the Company									Total equity RMB million
	Note	Share capital RMB million	Share premium RMB million	Shares held under restricted share Incentive scheme RMB million	Statutory reserves RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	
Balance at 31 December 2022		176,008	3,694	(1,954)	2,735	(1)	13,109	193,591	-	193,591
Profit for the period		-	-	-	-	-	4,841	4,841	-	4,841
Total comprehensive income for the period		-	-	-	-	-	4,841	4,841	-	4,841
Dividends paid	17	-	-	-	-	-	(5,653)	(5,653)	-	(5,653)
Balance at 30 June 2023		176,008	3,694	(1,954)	2,735	(1)	12,297	192,779	-	192,779

The notes on pages 19 to 36 are an integral part of this interim financial report.

Unaudited Interim Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2024
(Expressed in RMB)

	Attributable to owners of the Company									
	Note	Share capital RMB million	Share premium RMB million	Shares held under restricted share incentive scheme RMB million	Statutory reserves RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
Balance at 31 December 2023		176,008	3,694	(1,954)	3,712	(1)	16,235	197,694	-	197,694
Profit for the period		-	-	-	-	-	5,330	5,330	-	5,330
Total comprehensive income for the period		-	-	-	-	-	5,330	5,330	-	5,330
Dividends paid	17	-	-	-	-	-	(6,536)	(6,536)	-	(6,536)
Balance at 30 June 2024		176,008	3,694	(1,954)	3,712	(1)	15,029	196,488	-	196,488

The notes on pages 19 to 36 are an integral part of this interim financial report.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024
(Expressed in RMB)

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Cash flows from operating activities		
Cash generated from operations	34,806	13,502
Income tax paid	(2,020)	(1,966)
Interest income received	44	19
Net cash generated from operating activities	32,830	11,555
Cash flows from investing activities		
Payment for the construction of property and equipment	(14,461)	(15,514)
Payment for the purchase of land use right and other non-current assets	(1)	(2)
Proceeds from disposal of property and equipment	576	201
Net cash used in investing activities	(13,886)	(15,315)
Cash flows from financing activities		
Dividends paid to the owners of Company	(6,536)	(5,653)
Proceeds from borrowings	7,089	38,200
Repayments to employees for restricted share incentive scheme	–	(358)
Repayments of borrowings	(13,194)	(24,655)
Interest paid for borrowings	(752)	(679)
Payments of lease liabilities (including principal and interest)	(5,457)	(5,071)
Net cash (used in)/generated from financing activities	(18,850)	1,784
Net increase/(decrease) in cash and cash equivalents	94	(1,976)
Cash and cash equivalents at the beginning of period	3,955	5,117
Effect of changes in foreign exchange rates on cash and cash equivalents	–	(1)
Cash and cash equivalents at the end of period	4,049	3,140

The notes on pages 19 to 36 are an integral part of this interim financial report.

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

China Tower Corporation Limited (中國鐵塔股份有限公司, the “**Company**”) was established by China Mobile Communication Company Limited (“**China Mobile Company**”), China United Network Communications Corporation Limited (“**China Unicom Corporation**”) and China Telecom Corporation Limited (“**China Telecom**”) (collectively hereinafter referred to as the “**Telecom Shareholders**”) on 15 July 2014 as a limited liability company in the People’s Republic of China (the “**PRC**”), with a total registered capital of RMB10,000 million.

The ultimate controlling shareholders of each of the Telecom Shareholders, namely China Mobile Communications Group Co., Ltd. (“**CMCC**”), China United Network Communications Group Company Limited (“**CUC**”) and China Telecommunications Corporation (“**CTC**”), are state-owned enterprises ultimately controlled by the PRC government. CMCC together with China Mobile Company and all their subsidiaries are hereinafter referred to as “**CMCC Group**”; CUC together with China Unicom Corporation and all their subsidiaries are hereinafter referred to as “**CUC Group**”; CTC together with China Telecom and all their subsidiaries are hereinafter referred to as “**CTC Group**” (the three telecommunications service providers in China collectively hereinafter referred to as the “**Three TSPs**”).

In 2015, the share capital of the Company was increased to RMB129,345 million, after an acquisition of certain telecommunications towers and related assets (the “**Tower Assets**”) from the Telecom Shareholders and new shares issuance to a new investor, China Reform Holdings Corporation Ltd. (“**China Reform**”). On 8 August 2018, the Company completed the global offering of its H shares on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in constructing and operating telecommunications towers, provision of telecommunications tower site space (the “**provision of Site Space**”); provision of maintenance services (“**Maintenance services**”) and power services (“**Power services**”); provision of indoor distributed antenna systems (“**DAS**”), other trans-sector site application and information services (“**Smart Tower business**”) and Energy business. The provision of Site Space, the Maintenance services and the Power services for tower sites are collectively referred to as the “**Tower business**”. The Company’s headquarter is in Beijing, the PRC, with 31 provincial branches operating across mainland China.

This unaudited interim financial report is presented in RMB, unless otherwise stated. This unaudited interim financial report was approved by the board of directors (the “**Board**”) of the Company for issuance on 7 August 2024.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with International Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the International Auditing and Assurance Standards Board. KPMG’s independent review report to the Board of Directors is included on page 12.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

2 BASIS OF PREPARATION

This unaudited interim financial report for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”, issued by the International Accounting Standards Board (“IASB”).

The unaudited interim financial report does not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards issued by IASB, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2023. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The Group’s policies on financial risk management were set out in the audited financial statements of the Group for the year ended 31 December 2023 and there have been no significant changes in the financial risk management policies for the six months ended 30 June 2024.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards issued by IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“**2020 amendments**”)
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“**2022 amendments**”)

None of these amendments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 SEGMENT REPORTING

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 (the “**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 performance from revenue stream prospective 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, the Group’s long-lived assets are located in the mainland China and substantially all the Group’s revenue and operating profit are mainly derived from the mainland China during the period.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5 OPERATING REVENUE

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

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Tower business (Note (i))	37,957	37,481
DAS business	4,164	3,424
Smart Tower business	3,982	3,386
Energy business	2,023	1,975
Others	121	195
	48,247	46,461

Notes:

(i) The table below summarises the Group's Tower business revenue by nature:

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Revenue from the provision of Site Space	32,192	31,674
Revenue from Maintenance services and Power services	5,765	5,807
	37,957	37,481

(ii) The major customers that contribute more than 10% of the total revenue of the Group are listed as below:

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
CMCC Group	21,281	21,190
CTC Group	10,617	10,169
CUC Group	10,505	9,972
	42,403	41,331

For the six months ended 30 June 2024, the revenue generated from the Three TSPs accounted for 87.9% of the total revenue (for the six months ended 30 June 2023: 89.0%).

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

6 EMPLOYEE BENEFITS AND EXPENSES

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Salaries and welfare	3,172	3,102
Post-employment benefits	620	533
Contributions to medical insurance	281	114
Contributions to housing fund	302	252
	4,375	4,001

7 SITE OPERATION AND SUPPORT EXPENSES

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Site usage expenses	862	709
IT service charge	951	794
Costs of site power supply using diesel oil generation	719	713
Others	370	303
	2,902	2,519

8 OTHER OPERATING EXPENSES

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Technical support charges (Note (i))	1,944	1,580
Losses on write-off/disposal of property and equipment	125	297
Credit loss allowance	584	505
Utilities in other business operation (Note (ii))	352	412
Property management expenses and utilities	243	245
Marketing expenses	344	309
Other taxes and surcharges	182	207
Cost of goods sold	173	280
Others	581	526
	4,528	4,361

Notes:

- (i) Technical support charges incurred are mainly for building platforms in Smart Tower business and Energy business, and are paid to third-party service providers while the Group is the primary obligator for providing these services.
- (ii) Utilities in other business operation incurred are mainly for providing battery exchange services and battery recharge services in Energy business.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

9 FINANCE COSTS

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Interest expense on borrowings	805	790
Interest expense on lease liabilities (Note 13)	542	618
Less: Amounts capitalised in construction in progress (Note)	(67)	(47)
	1,280	1,361

Note:

The interest rate range for amounts capitalised in construction in progress for the six months ended 30 June 2024 were 2.28%-2.52% per annum (for the six months ended 30 June 2023: 2.52%-2.88% per annum).

10 INCOME TAX EXPENSES

The Company and its subsidiaries filed 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:

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Current tax		
Current tax on estimated taxable profits for the period	1,839	1,920
Deferred tax		
Origination of temporary differences	(132)	(406)
Income tax expenses	1,707	1,514

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

10 INCOME TAX EXPENSES (Continued)

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

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Profit before taxation	7,037	6,355
Tax at PRC statutory tax rate of 25%	1,759	1,589
Tax effect of preferential tax rate (Note)	(112)	(100)
Tax effect of non-deductible expenses	75	35
Others	(15)	(10)
Income tax expenses	1,707	1,514

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 branches of the Company and its subsidiaries 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) 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 2024.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

11 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 period, while the shares held for the restricted share incentive scheme excluded.

	Unaudited Six months ended 30 June	
	2024	2023
Profit attributable to owners of the Company (in RMB million)	5,330	4,841
Weighted average number of ordinary shares in issue (million)	174,812	174,812
Basic earnings per share (in RMB Yuan)	0.0305	0.0277

(b) Diluted

Diluted earnings per share for the six months ended 30 June 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 periods, after adjusting for the effects of the dilutive potential ordinary shares. There were no dilutive potential ordinary shares for the six months ended 30 June 2024 and 2023 as all restricted shares granted before were forfeited. Therefore, the diluted earnings per share was the same as basic earnings per share.

12 PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS**(a) Acquisition of property, plant and equipment and construction in progress**

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment and construction in progress with a cost of RMB13,680 million (for the six months ended 30 June 2023: RMB15,697 million).

(b) Write-off/disposal of property, plant and equipment

Property, plant and equipment with a net book value of approximately RMB699 million were written off/disclosed during the six months ended 30 June 2024 with RMB125 million write-off/disposal losses (Note 8) (for the six months ended 30 June 2023: approximately RMB486 million with RMB297 million write-off/disposal losses).

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

13 LEASE

- (i) The interim consolidated statement of financial position shows the following amounts relating to leases:

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Right-of-use assets (Note)		
– Sites and buildings	28,746	30,023
– Land use rights	1,037	1,060
	29,783	31,083
Lease Liabilities		
– Current	6,829	6,864
– Non-current	13,663	14,647
	20,492	21,511

Note:

During the six months ended 30 June 2024, the Group recognised the additions to right-of-use assets of RMB4,485 million.

- (ii) The interim consolidated statement of comprehensive income shows the following amounts relating to leases:

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Depreciation charge of right-of-use assets	5,669	5,790
Interest expense	542	618
Expense relating to short-term leases and low-value leases	656	593

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 TRADE AND OTHER RECEIVABLES

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Trade receivables (Note (a))	65,971	67,543
Allowance for expected credit losses	(3,290)	(2,706)
Trade receivables, net	62,681	64,837
Payments on behalf of customers (Note (b)(i))	5,617	5,518
Deposits (Note (b)(ii))	1,369	1,228
Others	–	103
Allowance for expected credit losses	(1)	(1)
Other receivables, net	6,985	6,848
Trade and other receivables	69,666	71,685

As at 30 June 2024 and 31 December 2023, trade and other receivables were primarily denominated in RMB and their carrying amounts approximated their fair values.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

(a) Trade receivables

- (i) Aging analysis of the Group's gross trade receivables based on the billing, as at the end of the reporting period, are as follows:

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
1 to 3 months	31,539	32,918
3 to 6 months	13,285	14,375
6 months to 1 year	12,186	12,954
1 year to 3 years	7,833	6,301
Over 3 years	1,128	995
	65,971	67,543

- (ii) Trade receivables are analysed by customers:

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
CMCC Group	30,016	34,869
CTC Group	11,018	8,390
CUC Group	14,320	16,111
Others	10,617	8,173
	65,971	67,543

Trade receivables primarily comprise receivables from the Three TSPs. Other third-party customers include local government authorities and public institutions, state-owned companies and other customer groups.

As at 30 June 2024, acceptance notes issued by banks and commercial acceptance bills included in trade receivables were RMB1,045 million and RMB17,210 million, respectively (31 December 2023: RMB5,945 million and RMB18,922 million, respectively), of which commercial acceptance bills discounted but not yet matured was RMB4,604 million as at 30 June 2024 (31 December 2023: RMB1,596 million). These discounted but not yet matured commercial acceptance bills did not result in derecognition but recognised as borrowings for the consideration received.

(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 supply charges when the Group provides the services of power access to its customers and acting 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.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 PREPAYMENTS AND OTHER CURRENT ASSETS

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Input VAT recoverable	913	878
Advance payments (Note)	1,587	1,557
Others	5	8
	2,505	2,443

Note:

As at 30 June 2024, advance payments mainly represented prepaid rentals to the lessor for short-term leases and low-value leases under IFRS 16, and prepayment of electric powers charges of certain tower sites.

16 CASH AND CASH EQUIVALENTS

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Cash at bank and on hand		
– RMB	3,887	3,932
– HKD	156	17
– USD	3	5
– LAK	3	1
	4,049	3,955

17 SHARE CAPITAL AND DIVIDENDS

(a) Share capital

Registered, issued and fully paid:

	Unaudited As at 30 June 2024		Audited As at 31 December 2023	
	Number of ordinary shares (million)	Share capital (RMB million)	Number of ordinary shares (million)	Share capital (RMB million)
At beginning of period/year	176,008	176,008	176,008	176,008
At end of period/year (RMB1.00, par value)	176,008	176,008	176,008	176,008

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

17 SHARE CAPITAL AND DIVIDENDS (Continued)

(b) Dividends

At the annual general meeting on 20 May 2024, the shareholders of the Company approved the payment of a final dividend of RMB0.03739 per share (equivalent to HK\$0.041100 per share) (pre-tax) for the year ended 31 December 2023, approximately RMB6,536 million in total.

Shares held under the restricted share incentive scheme as disclosed in Note 17(c) are not entitled to dividend.

On 7 August 2024, the Board of Directors of the Company proposed a dividend of RMB0.01090 per ordinary share (pre-tax) to the shareholders for the six months ended 30 June 2024, approximately RMB1,905 million in total. As the interim dividend is declared after the end of the reporting period, such dividend is not recognised as liability as at 30 June 2024 (for the six months ended 30 June 2023: nil).

(c) Shares held under restricted share incentive scheme

At the Company's Annual General Meeting held on 18 April 2019, the Company's shareholders approved the adoption of a restricted share incentive scheme (the "**Scheme**"), with a duration of 10 years. As instructed by the Board, a trust entity (the "**Trustee**") was appointed to acquire certain numbers of H share from the secondary market for the Scheme.

Pursuant to the Scheme, the Company granted certain restricted shares to qualified participants (the "**Scheme Participants**") during the year of 2019 as initial grant, which were subject to fulfilment of performance and service conditions. As at 30 June 2024 and 31 December 2023, all of the restricted shares granted under initial grant were forfeited and no active restricted share incentive scheme was implemented.

Shares held by the Trustee under restricted share incentive scheme are shown below:

	Unaudited As at 30 June 2024		Audited As at 31 December 2023	
	Number of restricted shares (million)	Shares held under restricted share incentive scheme (RMB million)	Number of restricted shares (million)	Shares held under restricted share incentive scheme (RMB million)
Shares held under restricted share incentive scheme	1,196	1,954	1,196	1,954

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

18 BORROWINGS

(a) Borrowings

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Borrowings:		
Long-term borrowings (Note (i))		
– General borrowings	52,282	57,196
– Preferential Borrowings	1,011	1,785
– Medium-term notes (Note (iii))	4,103	4,042
Sub-total	57,396	63,023
Less: Current portion	(16,504)	(13,694)
Balance presented in non-current liabilities:	40,892	49,329
Short-term borrowings:		
Short-term loans (Note (ii))	3,502	8,496
Long-term borrowings – Current portion	16,504	13,694
Discounted notes (Note 14(a))	4,595	1,596
Balance presented in current liabilities:	24,601	23,786

Notes:

- (i) In 2015 and 2016, the Group obtained unsecured long-term RMB denominated loans from China Development Bank via China Development Fund Co., Ltd. (the "Preferential Borrowings") at a preferential interest rate, as the government granted a loan interest subsidy to the Group. The Preferential Borrowings mature in 10 years and are mainly used for telecommunications network and broadband infrastructure improvements in certain rural areas of the PRC.

As at 30 June 2024, the carrying amount of the Preferential Borrowings amounted to RMB1,011 million (31 December 2023: RMB1,785 million). The Group initially recognised the Preferential Borrowings at fair value based on the then prevailing borrowing interest rates in the PRC. The interest subsidy was recognised as a government grant and recorded in deferred government grant, which was amortised to the consolidated statement of comprehensive income to match with the related interest expenses.

For the six months ended 30 June 2024, the effective interest rates of long-term borrowings were 1.85% to 4.41% per annum (for the six months ended 30 June 2023: 1.95% to 4.41% per annum).

- (ii) As at 30 June 2024, all of the balances of short-term loans are borrowings obtained from commercial banks in the PRC. For the six months ended 30 June 2024, all short-term loans were unsecured, which bear interest rates ranging from 2.20% to 2.35% per annum (for the six months ended 30 June 2023: from 2.30% to 2.35% per annum).

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

18 BORROWINGS (Continued)

(a) Borrowings (Continued)

Notes (Continued):

- (iii) From time to time, the Group issued medium-term notes in the China's Interbank Bond Market to finance working capital needs. The details of which are shown below:

Issue Date	Principal Amount (RMB million)	Paper titles	Period	Annual interest rate	Carrying amount as at 30 June 2024 (RMB million)
27 August 2021	2,000	Medium-Term Note 001	3 years	3.05%	2,051
30 August 2021	2,000	Medium-Term Note 002	3 years	3.07%	2,052
Total	4,000				4,103

(b) The repayment schedule of the borrowings

As at 30 June 2024, borrowings were repayable as follows:

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Within 1 year	24,601	23,786
Between 1 and 2 years	31,687	20,467
Between 2 and 5 years	9,205	28,862
	65,493	73,115

19 DEFERRED GOVERNMENT GRANTS

Deferred government grants mainly represent the government grants obtained by the Group including the interest subsidy associated with the Preferential Borrowings (see Note 18 (a)(i)).

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

20 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:

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Within 6 months	18,930	23,127
6 months to 1 year	6,753	2,675
Over 1 year	2,483	2,484
	28,166	28,286

21 ACCRUED EXPENSES AND OTHER PAYABLES

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Deposits from vendors	1,026	1,158
Salary and welfare payables	1,183	375
Contract liabilities (Note)	2,603	2,535
Accrued expenses	516	410
Other tax payables	301	347
	5,629	4,825

Note:

Contract liabilities primarily relate to the considerations received from customers before the Group satisfying performance obligations from Smart Tower business and Energy business. It would be recognised as revenue upon the rendering of services.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

22 CAPITAL COMMITMENTS

As at 30 June 2024 and 31 December 2023, the Group had capital commitments for construction expenditures and acquisition of properties as follows:

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Authorised and contracted for: Within 1 year	1,044	1,007
	1,044	1,007

23 RELATED PARTY TRANSACTIONS

CMCC Group, CUC Group and CTC Group are considered as the Group's related parties.

(a) Significant transactions with related parties

	Unaudited Six months ended 30 June	
	2024 RMB million	2023 RMB million
Provision of Tower business, DAS and other services (i)	42,403	41,331
Purchases of various goods and services (ii)	4,035	2,817
Rental charges for property and site ground lease (iii)	172	179
Payments on behalf of related parties (iv)	15,725	14,468
Proceeds from payments on behalf of related parties (iv)	15,626	13,848

Notes:

(i) Provision of Tower business, DAS and other services

The provision of the Tower business, DAS and other services is mainly based on the agreed terms in the Commercial Pricing Agreements and supplemental agreements signed by the Company and the Telecom Shareholders, and set out in the provincial service agreements between the provincial branches of the Company and the provincial subsidiaries/branches of the Telecom Shareholders.

The Company completed the signing arrangement of the 2023-2027 Service Framework Agreements including provincial service agreements for a term of five years from 1 January 2023 to 31 December 2027 with each of the Telecom Shareholders and their respective branches/subsidiaries during 2023.

Besides, the Group also provides Smart Tower business, Energy business and other services to CMCC Group, CUC Group and CTC Group, respectively.

(ii) Purchases of various goods and services

The Group purchases certain equipment, engineering design services, construction and supervision services, maintenance services, communications and IT services from CMCC Group, CUC Group and CTC Group. The transaction prices are mainly determined through mutual negotiation which are fair and reasonable.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

23 RELATED PARTY TRANSACTIONS (Continued)**(a) Significant transactions with related parties (Continued)**

Notes (Continued):

(iii) Rental charges for property and site ground lease

The Group leases certain properties, site ground and warehouses from CMCC Group, CUC Group and CTC Group. On the adoption of IFRS 16, the Group recognises right-of-use assets and lease liabilities for leases in the statement of financial position, except for short-term leases and low-value leases.

For the six months ended 30 June 2024, rental charges for property and site ground lease include short-term leases and low-value leases charges for use of property and site ground, the depreciation of the right-of-use assets, and the finance cost associated with the lease liabilities in relation to the aforementioned leasing arrangements with CMCC Group, CUC Group and CTC Group.

(iv) Payments on behalf of related parties

As mentioned in Note 14 (b)(i), the Group paid certain sites electric power charges to electricity power companies or third parties, on behalf of the Three TSPs.

(b) Balances with related parties**(i) Amount due from related parties**

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Trade and other receivables	60,741	65,749
Prepayments and other current assets	101	90
Right-of-use assets	415	410

(ii) Amount due to related parties

	Unaudited As at 30 June 2024 RMB million	Audited As at 31 December 2023 RMB million
Accounts payable	4,700	4,585
Accrued expenses and other payables	403	354
Lease liabilities	379	360

Except for lease liabilities, the balances of amount due from/to related parties are unsecured, non-interest bearing and repayable on demand.

Notes to Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

23 RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with other state-owned entities in the PRC

The Group is a government-related enterprise and operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government through government authorities, agencies, affiliations and other organization (collectively referred to as “**government-related entities**”). Apart from transactions with CMCC Group, CUC Group and CTC Group (Note 23 (a)), the Group has collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

- provisioning of Smart Tower services and Energy business
- rendering or receiving other services, such as construction services, logistics, transportation and maintenance services, etc.
- purchasing of goods and services, including use of public utilities
- placing of bank deposits, obtaining bank borrowings
- leasing of office buildings or tower sites

These transactions are conducted in the ordinary course of the Group’s business based on terms comparable with the terms of transactions with other entities that are not government-related. The Group prices its services and products with the counterparties based on commercial negotiations. The Group has also established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

24 FAIR VALUE ESTIMATION

As at 30 June 2024, the Group had no financial assets and financial liabilities measured at fair value. The financial assets and financial liabilities that are not carrying at fair values mainly include trade and other receivables, accounts payable, other payables and borrowings. The Group measures these financial assets and financial liabilities at amortised cost. As at 30 June 2024, the Group considered that their carrying values approximate fair values due to the short maturity of the instruments and/or they are bearing interests at market rates.

25 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, the Board of Directors proposed an interim dividend. Further details are disclosed in Note 17(b).

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the six months ended 30 June 2024.

CHANGE OF INFORMATION OF DIRECTORS AND SUPERVISORS

Mr. Zhang Guohou ("**Mr. Zhang**") resigned from his positions as an independent non-executive Director, the chairman of the audit committee of the Board (the "**Audit Committee**"), a member of the strategy committee, the remuneration and appraisal committee, the nomination committee and the connected transaction committee of the Board with effect from 13 March 2024, by reason of age.

Mr. Liu Wei resigned from his position as a supervisor of the Company (the "**Supervisor(s)**") with effect from 12 April 2024 by reason of adjustment in work responsibilities.

Ms. Cao Yingchun ("**Ms. Cao**") was elected as a Supervisor on 20 May 2024. Her term of office will end on the date of the expiration of the third session of the supervisory committee of the Company. Please refer to the circular of the Company dated 18 April 2024 and the announcements of the Company dated 12 April 2024 and 20 May 2024 for the biographical details of Ms. Cao.

Mr. Chen Li ("**Mr. Chen**") was elected as an executive Director on 20 May 2024. His term of office will end on the date of the expiration of the third session of the Board. Please refer to the announcements of the Company dated 23 April 2023, 29 April 2024 and 20 May 2024 for the biographical details of Mr. Chen.

Changes in information of Directors and Supervisors since the publication of the Company's 2023 annual report and the announcement of the Company dated 20 May 2024 are set out below:

- Mr. Hu Zhanghong, an independent non-executive Director, ceased to be a member of the Resolvability Review Tribunal of the Government of Hong Kong.
- Mr. Sin Hendrick, an independent non-executive Director, ceased to be a director of Hong Kong Cyberport Management Company Limited (香港數碼港管理有限公司) and the executive vice-chairman of the Hong Kong Software Industry Association (香港軟件行業協會).

Save as stated above, no other information of the Directors or Supervisors is required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The biographical details of the Directors and Supervisors are available on the website of the Company (www.china-tower.com).

Other Information

RESTRICTED SHARE INCENTIVE SCHEME

Purposes

The Company adopted the “China Tower Corporation Limited First Phase Restricted Share Incentive Scheme” (the “**Restricted Share Incentive Scheme**”) on 18 April 2019, upon approval at the Company’s 2018 annual general meeting held on 18 April 2019 (the “**2018 AGM**”). The Restricted Share Incentive Scheme aims at (i) improving the corporate governance structure of the Company, establishing and enhancing the interests of employees and the shareholders of the Company (the “**Shareholders**”) as well as the interests of investors and the Company as a whole, and forming a good and balanced value distribution system; (ii) establishing benefits and risk sharing mechanisms for the Shareholders, the Company and employees, avoiding short-term behaviour, and promoting the Company’s performance improvement and long-term stable development; and (iii) effectively attracting, retaining and motivating core staff necessary for the development of the Company and reinforcing the long-term sustainable talent base for the Company.

Participants

The participants (the “**Participants**”) eligible for participation under the Restricted Share Incentive Scheme are Directors, senior management of the Company and core technical and management personnel contributing directly to the overall business performance and sustainable development of the Company.

Shares Available under the Restricted Share Incentive Scheme

The Restricted Share Incentive Scheme does not involve the grant of the restricted shares (the “**Restricted Shares**”) over new shares or other new securities that may be issued by the Company. The trustee for the administration of the Restricted Share Incentive Scheme (the “**Trustee**”) shall purchase from the secondary market certain number of H Shares of the Company (“**H Shares**”) to be granted as instructed by the Board.

The Company has not issued and will not issue any new shares or other new securities pursuant to the Restricted Share Incentive Scheme.

Maximum Grant

The maximum total number of Restricted Shares granted or to be granted under the Restricted Share Incentive Scheme shall not exceed 10% of the total issued share capital of the Company as at the date when the Restricted Share Incentive Scheme was approved by the Shareholders at the 2018 AGM, i.e. 176,008,471,024 Shares.

Maximum Entitlement of Each Participant

Without special approval of any general meeting of Shareholders, the total number of Restricted Shares granted or to be granted to any Participant under the Restricted Share Incentive Scheme shall not exceed 1% of the total issued share capital of the Company as at the date when the Restricted Share Incentive Scheme was approved by the Shareholders at the 2018 AGM, i.e. 176,008,471,024 Shares.

Other Information

Unlocking Period

The period during which the Restricted Shares granted to the Participants may be conditionally transferred (the “**Unlocking Period**”) shall be 24 months to 60 months from granting of the Restricted Shares, including the period during which transfer of the Restricted Shares granted to the Participants is prohibited (the “**Lock-up Period**”). If the conditions for unlocking as required by the Restricted Share Incentive Scheme are met during the Unlocking Period, the Restricted Shares granted shall be unlocked in three tranches as follows.

Unlocking Arrangement	Unlocking Time	Unlocking Percentage
First Unlocking Period	From the first trading day after 24 months from the Grant Date and ending on the day which is the last trading day within 36 months	40%
Second Unlocking Period	From the first trading day after 36 months from the Grant Date and ending on the day which is the last trading day within 48 months	30%
Third Unlocking Period	From the first trading day after 48 months from the Grant Date and ending on the day which is the last trading day within 60 months	30%

Grant Price, Basis for Determining the Grant Price and Payment Period

Pursuant to the Restricted Share Incentive Scheme, the price per H Share for the grant of the Restricted Shares under the Restricted Share Incentive Scheme (the “**Grant Price**”) shall be no less than 50% of the reference price and the pricing reference date of the Grant Price is the grant date (the “**Grant Date**”). The reference price shall be the higher of:

- (i) the closing price of the H Shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on the Grant Date; and
- (ii) the average closing price of the H Shares for the five trading days as quoted on the Hong Kong Stock Exchange immediately preceding the Grant Date.

Pursuant to the Restricted Share Incentive Scheme and the agreement for grant of Restricted Shares entered into between the Company and each of the Participants, the Participants shall pay the subscription funds for the Restricted Shares granted to the Company’s designated account within the time period as prescribed by the Company. There is no additional amount payable on application or acceptance of the Restricted Shares awarded.

Duration

The Restricted Share Incentive Scheme has a term of ten years commencing from 18 April 2019, unless earlier terminated by relevant requirements of the Restricted Share Incentive Scheme.

Other Information

Details of the Restricted Shares Granted under the Restricted Share Incentive Scheme

On 18 April 2019, the Board approved the initial grant (the “**Initial Grant**”) of the Restricted Shares under the Restricted Share Incentive Scheme and approved the first tranche of Initial Grant (the “**First Tranche of Grant**”) and the second tranche of Initial Grant (the “**Second Tranche of Grant**”) on 18 April 2019 and 19 December 2019, respectively.

The Grant Price of the Restricted Shares granted under the Initial Grant (for both the First Tranche of Grant and Second Tranche of Grant) is RMB1.03 per Restricted Share (equivalent to approximately HK\$1.20 per Restricted Share), which equals the higher of (i) the audited net assets per share as of 31 December 2018 (i.e. RMB1.03) or (ii) 50% of the reference price.

The reference price shall be the higher of:

- (i) HK\$2.20, being the closing price of the Company’s H Shares on the Hong Kong Stock Exchange on 18 April 2019; and
- (ii) HK\$2.09, being the average closing price of Company’s H Shares for the five trading days as quoted on the Hong Kong Stock Exchange immediately preceding 18 April 2019.

The Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant under the Initial Grant entered the first Unlocking Period in 2021. As the operating revenue of the Group for the year of 2020 did not reach the target set out in the conditions for unlocking the Restricted Shares, such conditions for unlocking were not fulfilled and therefore the relevant Restricted Shares could not be unlocked according to the terms and conditions of the Restricted Share Incentive Scheme. The interests of relevant Participants in such Restricted Shares have been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and the laws and regulations, which represented 40% of interests in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant mentioned above.

The Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant under the Initial Grant entered the second Unlocking Period in 2022. As the operating revenue of the Group for the year of 2021 did not reach the target set out in the conditions for unlocking the Restricted Shares, such conditions for unlocking were not fulfilled and therefore the relevant Restricted Share could not be unlocked according to the terms and conditions of the Restricted Share Incentive Scheme. The interests of relevant Participants in such Restricted Shares have been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and the laws and regulations, which represented 30% of interests in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant mentioned above.

The Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant under the Initial Grant entered the third Unlocking Period in 2023. As the operating revenue of the Group for the year of 2022 did not reach the target set out in the conditions for unlocking the Restricted Shares, such conditions for unlocking were not fulfilled and therefore the relevant Restricted Shares could not be unlocked according to the terms and conditions of the Restricted Share Incentive Scheme. The interest of relevant Participants in such Restricted Shares have been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and the laws and regulations, which represent 30% of interests in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant mentioned above.

Other Information

As disclosed above, the Restricted Shares granted under the Initial Grant (for both the First Tranche of Grant and Second Tranche of Grant) failed to be unlocked for the first Unlocking Period, the second Unlocking Period and the third Unlocking Period, respectively. As at 31 December 2023, the interests of relevant Participants in such Restricted Shares had been bought out by the Trustee at the Grant Price in accordance with the terms of the Restricted Share Incentive Scheme and laws and regulations, which represented 100% of the interests in aggregate in the Restricted Shares granted under the First Tranche of Grant and the Second Tranche of Grant.

For the six months ended 30 June 2024, no Restricted Shares had been granted to (i) the Directors, chief executive or any substantial shareholders of the Company, or any associate of any of them; or (ii) Participants with awards granted and to be granted in excess of the 1% individual limit; or (iii) any employee participant, related entity participant or service provider.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2024, none of the Directors, Supervisors and chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

As at 30 June 2024, the Company has not granted the Directors, the Supervisors or chief executive of the Company, or their respective spouses or children below the age of 18 any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them has ever exercised any such right to subscribe for the shares or debentures of the Company.

Other Information

MATERIAL INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, the interests or short position of persons who are entitled to exercise or control the exercise of 5% or more of the voting power at any of the Company's general meetings (excluding the Directors and Supervisors) in the shares or underlying shares of equity derivatives of the Company as recorded in the register required to be maintained under Section 336 of the provisions of Division 6 of Part XV of the SFO are as follows:

Name of shareholder	Nature of interest	Class of shares	Number of shares held ⁽¹⁾	Percentage of shares in the relevant class of shares of the Company	Percentage of shares in the total shares in issue of the Company
China Mobile Communications Group Co., Ltd. (中國移動通信集團有限公司) ("CMCC") ⁽²⁾	Interest held by controlled corporations	Domestic shares	49,150,953,709 (L)	38.00%	27.93%
China Mobile (Hong Kong) Group Limited (中國移動(香港)集團有限公司) ⁽²⁾	Interest held by controlled corporations	Domestic shares	49,150,953,709 (L)	38.00%	27.93%
China Mobile Hong Kong (BVI) Limited (中國移動香港(BVI)有限公司) ⁽²⁾	Interest held by controlled corporations	Domestic shares	49,150,953,709 (L)	38.00%	27.93%
China Mobile Limited (中國移動有限公司) ("China Mobile") ⁽²⁾	Interest held by controlled corporations	Domestic shares	49,150,953,709 (L)	38.00%	27.93%
China Mobile Communication (BVI) Limited (中國移動通信(BVI)有限公司) ⁽²⁾	Interest held by controlled corporations	Domestic shares	49,150,953,709 (L)	38.00%	27.93%
China Mobile Communication Company Limited (中國移動通信有限公司) ("China Mobile Company") ⁽²⁾	Legal and beneficial owner	Domestic shares	49,150,953,709 (L)	38.00%	27.93%

Other Information

Name of shareholder	Nature of interest	Class of shares	Number of shares held ⁽¹⁾	Percentage of shares in the relevant class of shares of the Company	Percentage of shares in the total shares in issue of the Company
China United Network Communications Group Company Limited (中國聯合網絡通信集團有限公司) (“CUC”) ⁽³⁾	Interest held by controlled corporations	Domestic shares	36,345,836,822 (L)	28.10%	20.65%
China United Network Communications Limited (中國聯合網絡通信股份有限公司) (“China Unicom A Share Company”) ⁽³⁾	Interest held by controlled corporations	Domestic shares	36,345,836,822 (L)	28.10%	20.65%
China Unicom Group Corporation (BVI) Limited (中國聯通集團(BVI)有限公司) ⁽³⁾	Interest held by controlled corporations	Domestic shares	36,345,836,822 (L)	28.10%	20.65%
China Unicom (BVI) Limited (中國聯通(BVI)有限公司) ⁽³⁾	Interest held by controlled corporations	Domestic shares	36,345,836,822 (L)	28.10%	20.65%
China Unicom (Hong Kong) Limited (中國聯合網絡通信(香港)股份有限公司) (“China Unicom”) ⁽³⁾	Interest held by controlled corporations	Domestic shares	36,345,836,822 (L)	28.10%	20.65%
China United Network Communications Corporation Limited (中國聯合網絡通信有限公司) (“China Unicom Corporation”) ⁽³⁾	Legal and beneficial owner	Domestic shares	36,345,836,822 (L)	28.10%	20.65%
China Telecommunications Corporation (中國電信集團有限公司) (“CTC”) ⁽⁴⁾	Interest held by controlled corporations	Domestic shares	36,087,147,592 (L)	27.90%	20.50%
China Telecom Corporation Limited (中國電信股份有限公司) (“China Telecom”) ⁽⁴⁾	Legal and beneficial owner	Domestic shares	36,087,147,592 (L)	27.90%	20.50%

Other Information

Name of shareholder	Nature of interest	Class of shares	Number of shares held ⁽¹⁾	Percentage of shares in the relevant class of shares of the Company	Percentage of shares in the total shares in issue of the Company
China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) ("China Reform") ⁽⁵⁾	Legal and beneficial owner/Interest held by controlled corporations	Domestic shares	7,760,676,901 (L)	6.00%	4.41%
GIC Private Limited	Investment manager	H Shares	3,220,448,000 (L)	6.90%	1.83%
BlackRock, Inc.	Interest held by controlled corporations	H Shares	2,723,413,130 (L) 163,702,000 (S)	5.84% 0.35%	1.55% 0.09%

Notes:

- (1) (L) – Long position; (S) – Short position
- (2) By virtue of the SFO, each of CMCC, China Mobile (Hong Kong) Group Limited, China Mobile Hong Kong (BVI) Limited, China Mobile Communication (BVI) Limited and China Mobile is deemed to have an interest in the Shares held by China Mobile Company.
- (3) By virtue of the SFO, each of CUC, China Unicom A Share Company, China Unicom (BVI) Limited, China Unicom Group Corporation (BVI) Limited and China Unicom is deemed to have an interest in the shares held by China Unicom Corporation.
- (4) By virtue of the SFO, CTC is deemed to have an interest in the shares held by China Telecom.
- (5) China Reform indirectly holds 4,000,676,901 domestic Shares through China Reform Development Fund Management Co., Ltd. (國新發展投資管理有限公司) and 3,760,000,000 domestic Shares are held through its wholly-owned subsidiary, Beijing Davo Qihang Management Consulting Services Co., Ltd. (北京達沃啟航管理諮詢服務有限公司).

Save as disclosed above, as at 30 June 2024, in the register required to be maintained under Section 336 of the SFO, no other persons were recorded to hold any interests or short positions in the shares or underlying shares of equity derivatives of the Company.

AUDIT COMMITTEE

The Audit Committee, together with the Company's management, reviewed the accounting principles and practices adopted by the Company and discussed financial reporting matters including the review of the Company's unaudited interim financial report for the six months ended 30 June 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 six months ended 30 June 2024, the Company had complied with the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") as contained in Appendix C1 to the Listing Rules, save as disclosed below:

On 6 December 2023, Mr. Gu Xiaomin ("**Mr. Gu**") resigned from his positions as an executive Director, 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 did not 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 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 Company did not comply with (a) Rule 3.27A of the Listing Rules which requires the majority of members of the nomination committee to be independent non-executive directors; and (b) Rule 3.21 of the Listing Rules which 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 annual general meeting of the Company for the year 2023. Following such appointment, the Board comprised 10 members, of which three are executive Directors, four are non-executive Directors and three are 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.

The Board has taken measures to comply with the requirements as soon as practicable. Further announcement will be made in relation to such appointment(s) as and when appropriate.

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 six months ended 30 June 2024.

Other Information

CONTINGENT LIABILITIES

As at 30 June 2024, the Company had no contingent liabilities.

MATERIAL LEGAL PROCEEDINGS

For the six months ended 30 June 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.

INTERIM DIVIDEND

The Board proposes an interim dividend of RMB0.01090 per share (pre-tax) for the six months ended 30 June 2024. The dividend proposal will be proposed at the first extraordinary general meeting of 2024 of the Company contemplated to be held on 13 September 2024 (the “**EGM**”) for the Shareholders’ consideration. The proposed interim dividends, if approved, will be denominated and declared in Renminbi, which are expected to be paid on or around 29 November 2024 upon approval at the EGM.

Dividends will be paid in Renminbi for holders of domestic shares and holders of H Shares (including enterprises and individuals) who invest in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai Stock Exchange or Shenzhen Stock Exchange (the “**Southbound Trading**”) (the “**Southbound Shareholders**”), 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 EGM. 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 enterprise income tax at a rate of 10% on dividends when it pays the proposed interim 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 26 September 2024.

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%. 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.

Other Information

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 26 September 2024. 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 20 September 2024. 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.

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, 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 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.

Other Information

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the H share Shareholders' rights to attend and vote at the EGM (and any adjournment thereof), and H share Shareholders' entitlement to the 2024 interim 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 EGM (and any adjournment thereof)

Latest time to lodge transfer documents for registration	4:30 p.m. on 9 September 2024
Closure of register of members (both days inclusive)	10 September 2024 to 13 September 2024
Record date	13 September 2024

- (2) For ascertaining the H share Shareholders' entitlement to the 2024 interim dividend

Latest time to lodge transfer documents for registration	4:30 p.m. on 20 September 2024
Closure of register of members (both days inclusive)	23 September 2024 to 26 September 2024
Record date	26 September 2024

During the above closure periods, no transfer of H shares will be registered. To be eligible to attend and vote at the EGM, and to qualify for the 2024 interim 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.

COMPLIANCE WITH APPENDIX D2 TO THE LISTING RULES

According to paragraph 40 of Appendix D2 to the Listing Rules headed "Disclosure of Financial Information", save as disclosed herein, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix D2 has not been changed materially from the information disclosed in the Company's 2023 annual report.

FORWARD LOOKING STATEMENTS

The performance and the results of the operations of the Company contained in this 2024 interim report 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 2024 interim report 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 2024 interim report; 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.