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中國通信服務
CHINA COMSERVICE

中國通信服務股份有限公司
CHINA COMMUNICATIONS SERVICES CORPORATION LIMITED
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 552)

VOLUNTARY ANNOUNCEMENT
IN RELATION TO THE AUDIT OF NATIONAL AUDIT OFFICE

In 2017, the National Audit Office of the People's Republic of China (the "NAO") conducted an audit on the financial revenues and expenditures of China Telecommunications Corporation (the "China Telecom Group"), being the controlling shareholder of China Communications Services Corporation Limited (the "Company"), for the year 2016. The NAO has published its findings in the form of an audit results announcement recently. The Company (including some of its subsidiaries), as a subsidiary of China Telecom Group, is within the scope of the audit.

The audit results of the NAO recognized the effort of China Telecom Group in promoting strategic transformation and deepened reform, strengthening the construction of information infrastructure facilities, optimizing corporate governance and enhancing corporate management, etc. The audit also identified some issues on certain companies of China Telecom Group in respect of financial management, accounting and operational management.

The Company has placed great emphasis on the issues identified in the audit regarding the Company and carried out specific investigation. The Company has already rectified all the relevant issues identified by the NAO, and took further measures to regulate and strengthen its operational management, reinforce its internal control mechanism, continue to enhance its corporate management and risk prevention and control, with a view to promoting the sustainable and healthy development of the Company.

The issues identified in the audit regarding the Company have no material impact on the overall operating results and the financial statements of the Company.

By Order of the Board
China Communications Services Corporation Limited
Chung Wai Cheung, Terence
Company Secretary

Beijing, PRC, 20 June 2018

As at the date of this announcement, our executive directors are Mr. Zhang Zhiyong, Mr. Si Furong and Ms. Hou Rui, our non-executive directors are Mr. Li Zhengmao and Mr. Shao Guanglu, and our independent non-executive directors are Mr. Zhao Chunjun, Mr. Siu Wai Keung, Francis, Mr. Lv Tingjie, Mr. Wu Taishi and Mr. Liu Linfei.