

REPORT OF THE SUPERVISORY COMMITTEE

Dear Shareholders,

During the reporting period, all members of the Supervisory Committee conscientiously performed their supervisory duties and earnestly safeguarded the interests of the shareholders and the Company in accordance with the relevant requirements including the *PRC Company Law* and the Articles of Association of the Company.

During the reporting period, the Supervisory Committee convened a total of three meetings. The seventh meeting of the third session of the Supervisory Committee convened on 20 March 2015 and reviewed and approved resolutions such as the Company's 2014 financial report, profit allocation and dividend distribution plan, auditors' report issued by the external auditor, the Company's work report on internal control for 2014 and work plan for 2015, the work report of the Supervisory Committee for 2014 and the work plan of the Supervisory Committee for 2015, and resolved on the same. In respect of issues that are of more concern, the supervisory committee had communicated with the finance department, risk management department and external auditors and put forward relevant advice. At the first meeting of the fourth session of the Supervisory Committee convened on 21 August 2015, we have reviewed and approved the *unaudited interim financial report for 2015*, reviewed the *Report on the review of the interim financial report for 2015* issued by the external auditors and the internal control work report for the first half of 2015 and work plan for the second half and resolved on the same. The second meeting of the fourth session of the Supervisory Committee convened on 11 December 2015 and reviewed and approved the resolution on the resignation of Ms. Xia Jianghua, the former chairperson of the Supervisory Committee of China Communications Services Corporation Limited and elected Ms. Han Fang as the new chairperson for the Supervisory Committee. During the reporting period, the members of the Supervisory Committee attended the board meetings, general meetings and audit committee meetings of the Company. By attending these meetings, the Supervisory Committee supervised significant decision making of the Company and the duty performance of the members of the Board and senior management and recommended relevant management suggestion in a serious and responsible manner.

The Supervisory Committee is of the opinion that, during the reporting period, the Company upheld the management philosophy of "value-driven, seeking steady yet progressive growth and efficient development", adhered the market-oriented approach in resources allocation, pursued further comprehensive and deepened reform, and maintained stable fundamentals for the Company amid complicated and ever changing internal and external environment, thus realizing continuous growth in total revenues of RMB80,960 million, representing a year-on-year growth of 10.6%. Profit attributable to the equity shareholders of the Company amounted to RMB2,334 million, representing a year-on-year growth of 8.6%. Free cash flow was RMB3,573 million and reached a historical high.

The Supervisory Committee is of the opinion that, in 2015, all members of the Board and senior management of the Company have complied with the laws and regulations, and performed their duties in accordance with the Articles of Association of the Company, they have also safeguarded the interests of the shareholders, earnestly implemented various resolutions of the general meetings and the board meetings, and operated strictly in accordance with the regulatory requirements for a listed company. The Supervisory Committee was not aware of any violation of relevant PRC laws and regulations and the Articles of Association, or any acts which would prejudice the interests of the Company.

The Supervisory Committee carefully reviewed the information intended to be submitted by the Board of Directors to the general meeting such as the financial report of the Company for 2015 which were prepared according to relevant requirements and issued with unqualified opinion by the external auditors. The Supervisory Committee is of the opinion that the financial report gives an objective and true view of the Company's financial position and operating results.

In 2016, the Supervisory Committee will continue to comply with the relevant requirements of the PRC Company Law and the Articles of Association of the Company strictly and assume the responsibilities of safeguarding the interests of the shareholders and the benefits of the Company, to focus on the supervision of the Company's implementation of its commitment to shareholders and to expand our scope of philosophy, with a view to enhancing our supervision and inspection efforts in major adjustment events and important operating activities and duly perform our duties in a thoughtful manner.

We hereby sincerely express our thanks to Ms. Xia Jianghua, the resigned former chairperson of the Supervisory Committee, for her contribution to the development of the Group during her tenure.

By order of the Supervisory Committee

Han Fang

Chairperson of the Supervisory Committee

Beijing, PRC

25 March 2016