

INVESTOR RELATIONS

The Company attaches great importance to maintaining open and effective communication with the capital market so as to establish a sound relationship. The Company further strengthened its efforts to optimize investor relations under the principle of high transparency, accuracy, timeliness and effectiveness.

The Company keeps improving the two-way communication mechanism with the capital market in order to maintain interactive communications with its shareholders and investors. On one hand, the Company proactively responds to the major issues that the capital market concerns about and explains its strategies, development measures and related information, thereby enhancing the investors' understanding of and confidence in the core value and development philosophy of the Company and help them to conduct more comprehensive analysis and have better knowledge of the investment value of the Company. On the other hand, the investor relations team of the Company closely monitors the feedbacks from the capital market and reports the opinions, advice and expectation of the capital market to the management in a timely manner. The messages from the capital market which are beneficial to the Company's development are integrated into the operation, management and development of the Company for corporate value enhancement and sustainable development.

INVESTOR RELATIONS ACTIVITIES

In 2017, the Company maintained direct and close communications with its investors through multiple channels including investor and press conferences, non-deal roadshows, overseas roadshows, investor forums organized by investment banks, one-on-one meetings, teleconferences and video conferences to achieve effective interactions with investors. During the year, the Company held meetings and effectively communicated with analysts and investors through the above channels about 400 person-times. To facilitate the communication between the management and investors, and enhance the investor's understanding of the operation, development and transformation of the Company, an overseas non-deal roadshow was proactively organized in 2017, in which the Company's Chief Financial Officer, investor relations team and relevant representatives took the opportunities to visit our major shareholders and potential investors in Hong Kong and Singapore. The roadshow met with favourable results in improving communication between the Company and the capital market.

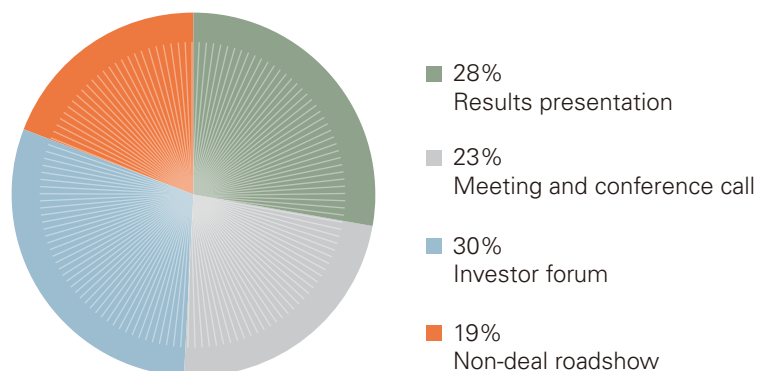
Moreover, the Company also promptly disseminates important information such as operation and development updates and release of results of the Company to the capital market through various channels including announcements, circulars, press releases and investor relations website.



2017 Annual Results Presentation

INVESTOR RELATIONS

ATTENDANCE ANALYSIS OF INVESTOR RELATIONS ACTIVITIES IN 2017



List of Investor Relations Activities of the Company in 2017

Date	Event	Venue
Jan 2017	DB Access China Conference 2017	Beijing
Jan 2017	BAML Greater China Telco and Media Corporate Day	Hong Kong
Mar 2017	2016 Annual Results Announcement – Analyst Briefing – Press Conference	Hong Kong
Mar 2017	Non-deal Roadshow	Hong Kong
Apr 2017	Macquarie Greater China Conference 2017	Hong Kong
May 2017	Goldman Sachs TechNet Conference – Asia Pacific 2017	Hong Kong
May 2017	DBS Vickers Pulse of Asia Conference	Hong Kong
Jun 2017	Morgan Stanley Third Annual China Summit	Beijing
Jun 2017	Nomura Investment Forum Asia 2017	Singapore
Jun 2017	UBS Asia Telco and Internet Conference 2017	Hong Kong
Aug 2017	2017 Interim Results Announcement – Analyst Briefing – Press Conference	Hong Kong
Aug 2017	Non-deal Roadshow	Hong Kong
Oct 2017	Citi 12th China Investor Conference	Macau
Nov 2017	Jefferies 7th Annual Greater China Summit	Hong Kong
Nov 2017	BAML 2017 China Conference	Beijing
Nov-Dec 2017	Non-deal Roadshow	Hong Kong & Singapore

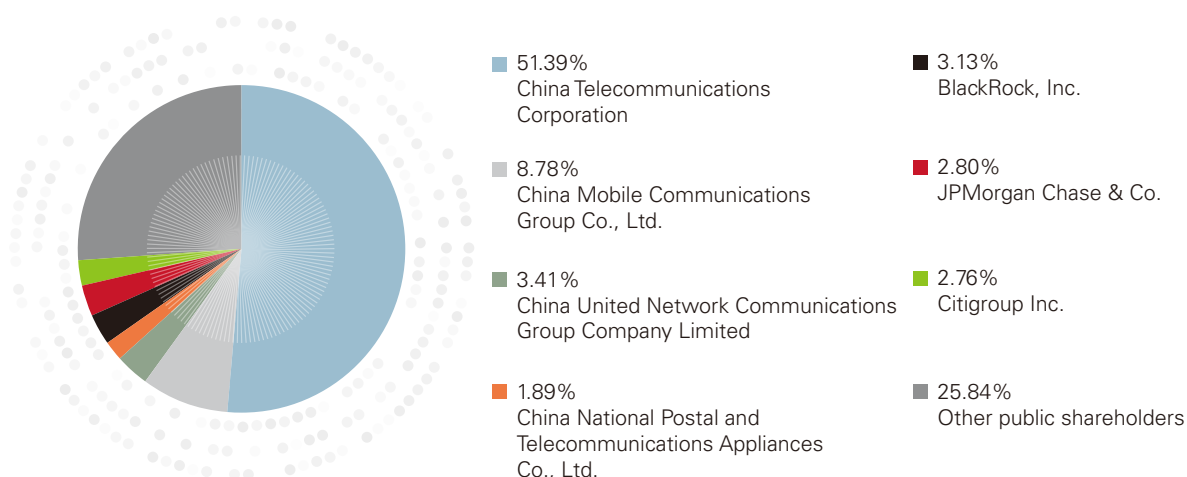
INVESTOR RELATIONS

SHAREHOLDING STRUCTURE

In 2017, the Company continued to appoint an international survey company to conduct two comprehensive surveys on the shareholding structure to keep abreast of the information on shareholders, including structure and position changes of shareholders, shareholder type, geographical distribution and investment styles. When organizing the roadshows, the Company would develop a targeted visiting list of shareholders and potential investors by comparing the above information with industry peers of the Company. Such practice facilitated a more proactive and targeted interactive communications between the Company and its shareholders and investors, thereby significantly enhancing the efficiency and effectiveness of investor relations initiatives.

The Company's shares have been admitted in the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Programmes which are open for trading by investors from Mainland China. According to the information from the Central Clearing and Settlement System operated by the Hong Kong Securities Clearing Company Limited, as at 31 December 2017, 1.02% of the issued H share capital of the Company was held by the investors from Mainland China through China Securities Depository and Clearing Corporation Limited.

SHAREHOLDING STRUCTURE AS OF 31 DECEMBER 2017¹



¹ For details of the material interests and short positions in shares and underlying shares of the Company, please refer to "Report of the Directors".

INVESTOR RELATIONS

INFORMATION DISCLOSURE

Information disclosure is the responsibility and obligation that must be discharged by a listed company in accordance with the regulatory requirements for the protection of investors' interest, thus the Company has strictly complied with the information disclosure requirements for listed companies and made information disclosure with consistent adherence to the principle of accuracy, timeliness, openness and justice in order to improve the transparency of the Company in respect of information disclosure and help the capital market gain a better understanding of the Company.

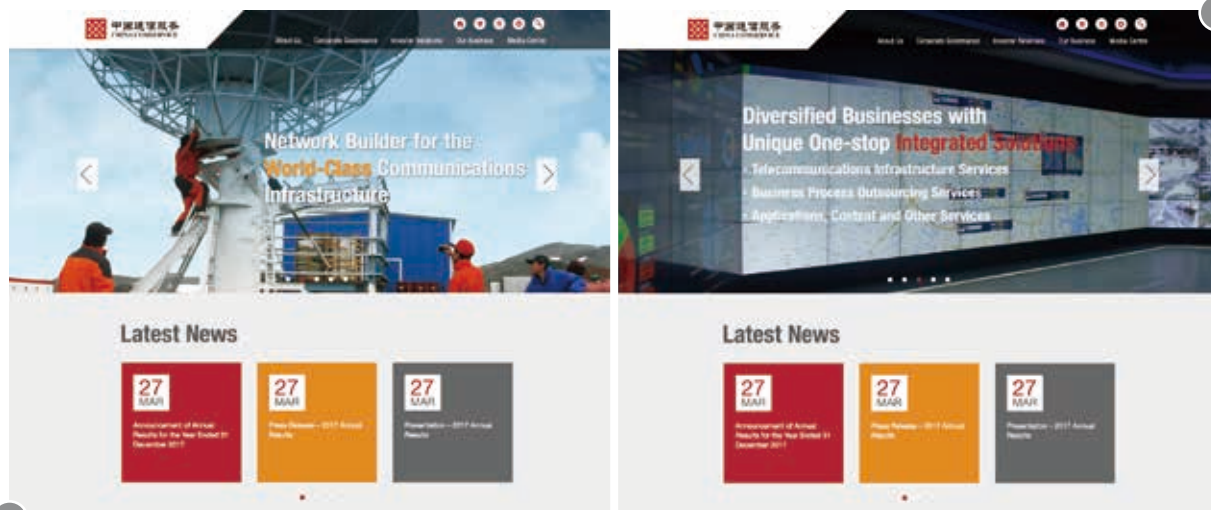
In 2017, in accordance with the Listing Rules, the Company published a total of about fifteen corporate communications such as announcements and circulars on the websites of the Stock Exchange and the Company. Such publications have objectively and comprehensively disclosed information regarding the Company's results, operating performance, financial information, dividend payment and poll results of general meetings, details of which are as follows.

10/03/2017	Announcement of resignation of non-executive director
10/03/2017	Announcement of the list of directors and their role and function
15/03/2017	Announcement relating to the date of board meeting to approve the 2016 annual results
30/03/2017	Announcement of annual results for the year ended 31 December 2016
26/04/2017	2016 annual report
26/04/2017	Notice of annual general meeting to be held on 23 June 2017, form of proxy and attendance slip
23/06/2017	Announcement of poll results of the 2016 annual general meeting held on 23 June 2017, payment of dividend and appointment of directors
23/06/2017	Announcement of list of directors and their role and function
14/08/2017	Announcement relating to the date of board meeting to approve the 2017 interim results
30/08/2017	Announcement of interim results for the six months ended 30 June 2017
13/09/2017	2017 interim report
10/11/2017	Circular of amendments of articles of association
10/11/2017	Notice of extraordinary general meeting to be held on 28 December 2017, form of proxy and attendance slip
21/12/2017	Announcement of change in company name and company type of controlling shareholder
28/12/2017	Announcement of poll results of the extraordinary general meeting held on 28 December 2017

Other than announcements and circulars, the Company's website (<http://www.chinaccs.com.hk>) is also one of the important channels for corporate information disclosure and provides our investors and shareholders with a more convenient and efficient access to the detailed information. The financial information, stock information, annual reports and investor activities of the Company as well as hot topics concerned by investors are systematically disclosed in the Investor Relations' section of the website. The Company also updates the content of the website in a timely manner to keep the capital market abreast of the Company's latest development.

INVESTOR RELATIONS

The Company comprehensively revised and upgraded its website in 2016, which was widely recognized by the capital market. With a more innovative design and comprehensive contents, the new website was honoured with the “Best IR Website” award in IR Magazine Awards-Greater China 2017 granted by *IR Magazine*, a renowned international magazine focusing on investor relations, as an acknowledgement of its achievements on users’ experience, engaging content and multiplatform access of the website.



Annual report is not only an important document for information disclosure of a listed company, but also an important means to disclose comprehensively the operating philosophy, strategies, current operating performance and development trends of the Company to the investors. The Company therefore put great emphasis on the preparation of annual report. Through the detailed disclosures in the annual report, investors are able to have more adequate and comprehensive understanding of the Company.

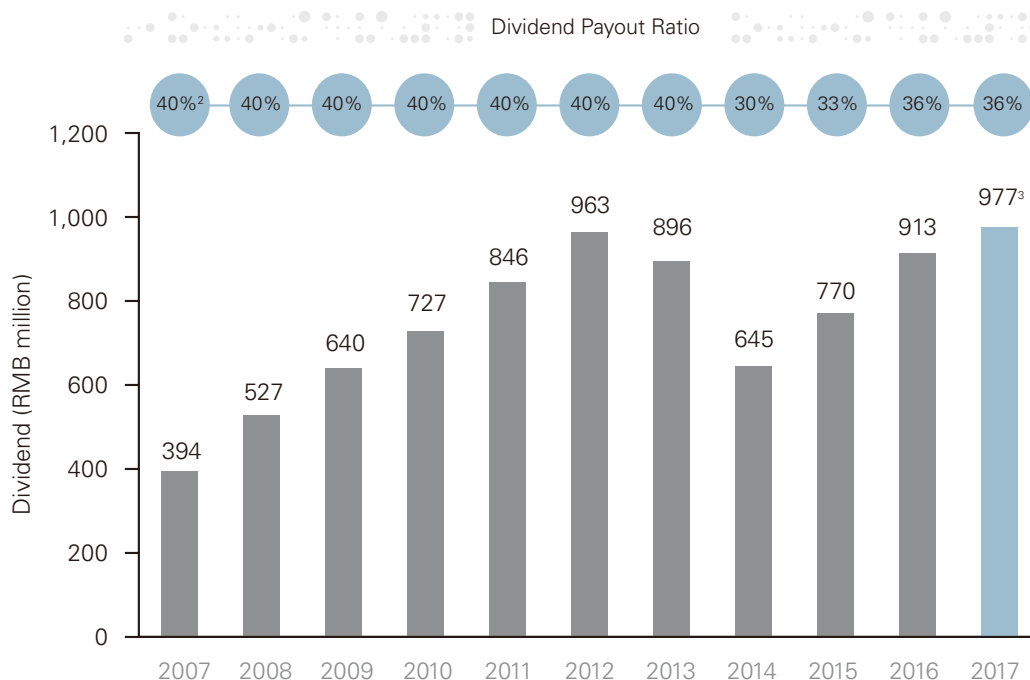
In 2017, the preparation and design of the 2016 annual report of the Company were again recognized by international award organizations and received Gold Awards in both “Cover Photo & Design” in “International ARC Awards” and “The League of American Communications Professionals” (LACP).

INVESTOR RELATIONS

DIVIDEND

The Company always values the interests of and returns to shareholders since its listing. Dividend payment for the year are determined with reference to factors such as the Company's results performance, financial position, cash flow, long-term development and business needs and investment opportunities in the current year. In 2017, the Group achieved satisfactory operating results and free cash flow for the year. In view of the Company's confidence in operating performance and future development, the Board has proposed to distribute a final dividend of RMB0.1176 per share (equivalent to a payout ratio of 30%) and a special dividend of RMB0.0235 per share. Total dividend for 2017 is RMB0.1411 per share (equivalent to a payout ratio of 36%).

Dividend distribution of the Company since its listing is set out in the chart below.

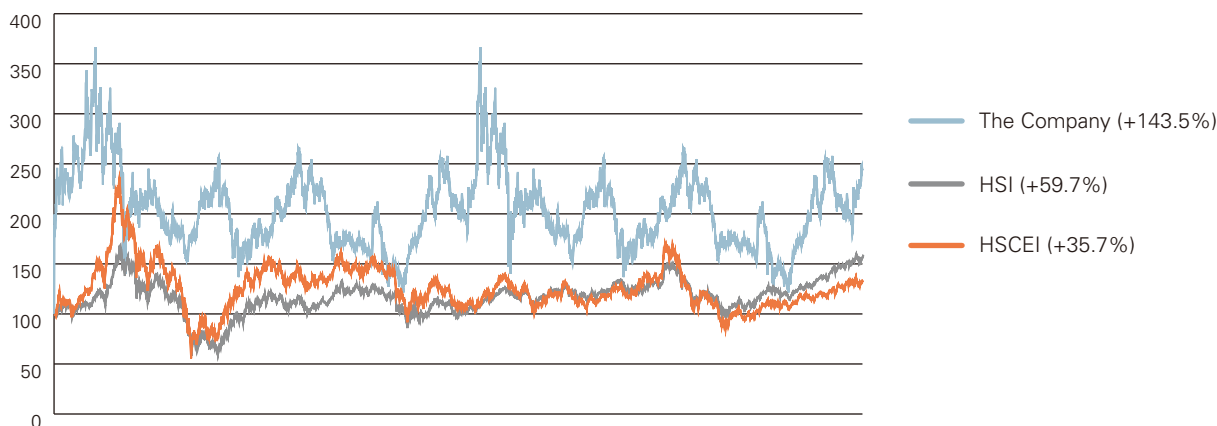


SHARE PRICE PERFORMANCE

The H shares issued by the Company were listed on the Stock Exchange on 8 December 2006 at an offer price of HK\$2.2 per share. Since its listing, the Company has captured market opportunities, adapted to the industry development trend and achieved sustainable and steady development through effective implementation of development strategies and adherence to the principle of excellence in corporate governance. Meanwhile, the Company proactively implements practical and effective investor relations program. The price of the Company's H shares has been maintaining a favourable overall performance since its listing.

Share Price Performance Since Listing

From 8 December 2006 to 31 December 2017



² The 2007 dividend payout ratio is calculated after deducting the net profit contributed by the business in 13 provinces before 31 August 2007 (being the completion date of the acquisitions) when such business was acquired by the Company.

³ Subject to the approval at the 2017 annual general meeting to be held on 29 June 2018.

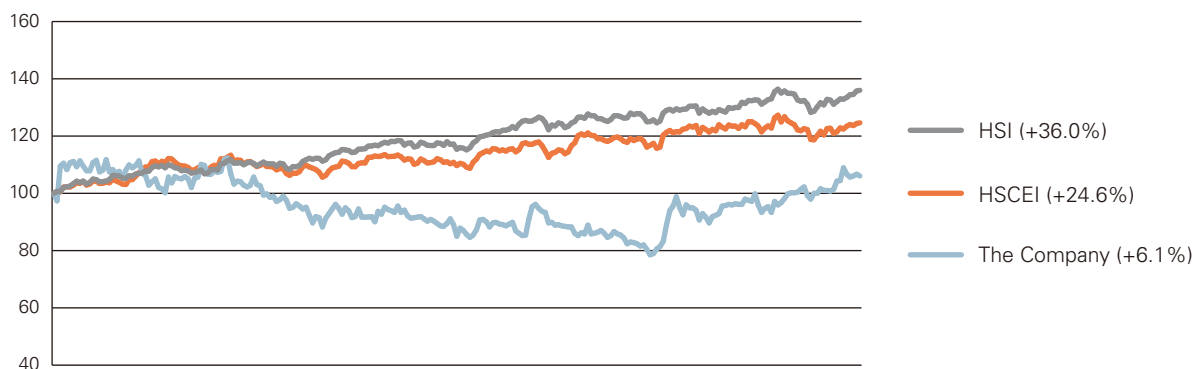
INVESTOR RELATIONS

China's macro economy maintained a relatively fast yet steady growth in 2017, while an inflow of capital led to a sharp rise in Hong Kong stock market. During the year, stock price of the Company was relatively fluctuative. As the overall network construction investment of domestic telecommunications operators decreased in 2017, investors generally considered that the investment decline would affect the growth momentum and prospect of the Company in 2017. However, the publication of interim results indicated that the Company had successfully captured various opportunities arising from the domestic telecommunications operators to continue its innovation and transformation, various opportunities arising from the informatization development and smart-typed service demand in the domestic non-telecom operator market, and ultimately overcame the challenges brought by the overall network construction investment decrease in the telecommunications industry. Revenue and net profit of the Company achieved a steady growth while business structure continued to optimize. During the second half of 2017, the capital market put more attention to the new opportunities brought by the 5G development and relevant companies, stock price of the Company recovered steadily. As at 31 December 2017, stock price of the Company increased by 6.1% year-on-year.

2017	Highest	Lowest	Closing
Price per H share of the Company (HK\$)	5.67	3.85	5.24

Share Price Performance in 2017

From 1 January 2017 to 31 December 2017



As at 31 December 2017, the total number of shares of the Company was 6,926,018,400 shares, including 4,534,598,160 domestic shares and 2,391,420,240 H shares, both at nominal value of RMB1.00 each. All the H shares of the Company are listed on the Stock Exchange, representing approximately 34.5% of the total number of shares of the Company. Based on the closing price as of 31 December 2017, the Company's total market capitalization was about HK\$36.3 billion.

INVESTOR RELATIONS

MAJOR AWARDS AND RECOGNITIONS IN 2017



1. **“13th Corporate Governance Asia Recognition Awards” by Corporate Governance Asia**
 - The Best of Asia - Icon on Corporate Governance
 - Asian Corporate Director
2. **“7th Asian Excellence Recognition Awards” by Corporate Governance Asia**
 - Best CEO
 - Best CFO
 - Best Investor Relations
3. **“The Asset Corporate Awards 2017” by The Asset**
 - Platinum Award - Excellence in Environmental, Social and Corporate Governance
4. **“Leadership Awards” by International Finance Magazine**
 - Outstanding Contribution to Management Excellence
5. **“Golden Hong Kong Equities Awards” by Zhitong Finance and Tonghuashun Finance**
 - Best Growth Value Listed Company
 - Best Value TMT Company
6. **“IR Magazine Awards – Greater China 2017” by IR Magazine**
 - Best IR Website
7. **“Vision Awards” by LACP**
 - Gold Award
8. **“International ARC Awards”**
 - “Cover Photo & Design” Gold Award
9. **“2017 FORTUNE China 500” by FORTUNE China**
 - Rank 79th

INVESTOR RELATIONS

RECOGNITIONS AND HONOURS IN THE CAPITAL MARKET

The Company has always been well recognized by the capital market. It was admitted in certain indices in Hong Kong, including the “Hang Seng Composite Index”, “Hang Seng Composite MidCap Index”, “Hang Seng Internet & Information Technology Index”, “Hang Seng Information Technology Index”, “Hang Seng IT Hardware Index” and “Hang Seng Stock Connect Hong Kong Index”.

In 2017, more than 10 international investment banks and institutions prepared and published research reports for the Company on a regular basis. Since its listing, the Company’s investment value has been recognized by the capital market. As of 31 December 2017, major research institutions maintained positive investment ratings such as “Buy” or “Hold” on the Company.

The Company has been dedicated to improving its management and operation in all aspects. In 2017, the Company was recognized by many domestic and overseas organizations and institutions. *International Financial Magazine*, a UK-based financial magazine, granted the “Outstanding Contribution to Management Excellence in 2017” award in “Leadership Awards” to Mr. Si Furong, the President of the Company. *Corporate Governance Asia*, an authoritative journal on corporate governance in Asia, for the first time issued the honour of “Asian Corporate Director” to Mr. Si Furong, and the honour of “Best CFO” to Ms. Hou Rui, the Chief Financial Officer of the Company, for four consecutive years, which reflected the high recognition from the capital market on the Company’s corporate governance. Moreover, various authoritative institutions, such as *Corporate Governance Asia* and *The Asset* also offered recognitions and awards to the Company in respect of its corporate governance and investor relations. Furthermore, the Company received various awards from international assessment institutions in respect of the Company’s website and annual report.

OTHER INFORMATION FOR SHAREHOLDERS

Shareholder services

Any matters relating to shareholding, such as transfer of shares, change of name or address, and loss of share certificates should be addressed in writing to the Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
Telephone: (852) 2862 8628
Facsimile: (852) 2529 6087

Shareholder enquiries

Enquiry hotline during normal office hours (Monday to Friday: 09:00–18:00):
Telephone: (852) 3699 0000

Investor relations enquiries

For enquiries from institutional investors and securities analysts, please contact:

Investor Relations Department, China Communications Services Corporation Limited
Room 3203–3205, 32/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong
Telephone: (852) 3699 0000
Facsimile: (852) 3699 0120
Email: ir@chinaccs.com.hk