



中国通信服务
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)

Code of Conducts and Ethics for Employees

Section 1 General

1.1 Background and Basis

This Code is hereby designed to safeguard the interests of China Communications Services Corporation Limited and shareholders, forge good corporate image and harmonious corporate culture, regulate the routine occupational behaviors of China Communications Services Corporation Limited and the subsidiaries in accordance with applicable laws, regulations and the Articles of Association of China Communications Services Corporation Limited (the "Articles of Association").

1.2 Scope of Application

1.2.1 This Code applies to employees of China Communications Services Corporation Limited, provincial subsidiaries, subsidiaries and branches thereof (unless otherwise stipulated, collectively the "Company"), and other personnel engaged in routine work in the name of the Company (collectively the "Employees"). "Subsidiary" hereunder shall have the meaning defined in The Listing Rules of the Stock Exchange of Hong Kong Limited.

1.2.2 For employees as defined as "Senior Officers" under Code of Ethics for Senior Officers of China Communications Services Corporation Limited ("Executive Code"), in case of any discrepancy between this Code and Executive Code, the Executive Code shall prevail.

For issues covered hereunder rather than the Executive Code, this Code shall apply in light of the appropriate object and issue.

1.3 Purposes

The purposes of this Code are as follows:

- (1) to encourage compliance with the Company's regulations, rules and disciplines;
- (2) to encourage honest and moral behaviors;
- (3) to encourage complete, true, accurate and timely disclosures;
- (4) to prevent misconducts;
- (5) to promptly identify or report any conduct against the code of ethics; and
- (6) to enforce regulations and obligations on professional conducts.

Section 2 Basic Principles

- 2.1 Principle Regarding Compliance with the Law
Employees are obligated to abide by current policies, laws, regulations and other regulatory disciplines of the Peoples' Republic of China, the jurisdictions where the Company is listed, incorporated and operates; abide by the Articles of Association, and perform duties as per current rules of the Company.
- 2.2 Principle of Integrity
 - 2.2.1 Integrity is the fundamental principle upheld by the Company in settlement of relations with customers, shareholders and others in the society, as well as the employer-employee relationship and the employee-employee relationship.
 - 2.2.2 The employees shall be honest to the Company, and are barred from any fraud or any unscrupulous act against integrity ethics.
 - 2.2.3 The employee behaviors shall be:
 - (1) pragmatic and honest;
 - (2) abiding by applicable regulatory policies laws, regulations, administrative rules, accounting rules and relevant rules of the Company;
 - (3) conscientious, diligent, and innovative;
 - (4) commercially ethical and protecting the Company's interests.
 - 2.2.4 The integrity obligation of the employees shall survive the termination of the employment thereof as determined by the Company in the principle of fairness and in light of actual situation.
- 2.3 Principle of Fairness
 - 2.3.1 Employees shall fairly treat customers, suppliers, competitors and other employees of the Company.
 - 2.3.2 Employees are prohibited from unlawful or unethical occupational behavior, or receiving corporate or personal gains via unscrupulous means. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. The "gain" hereunder refers to any direct or indirect benefits for the Company, self or any other person, including any potential benefits.
- 2.4 Principle of Confidentiality
 - 2.4.1 The employees shall not disclose any confidential information of the Company, or the Company's customers or potential customers as a result of the occupational behavior or through other sources.
When required for disclosure by applicable laws, regulations or regulatory authorities, or with the consent of the disclosing party, or the confidentially information becoming publicly known or publicly obtained, the employees of the Company are not bound by the confidential obligation as set above.
Confidential information refers to confidential, proprietary or secret information that, once publicly disclosed, will be beneficial to competitors of the Company, or will impair the interests of the Company, or the Company's customers or potential customers.
 - 2.4.2 The confidentiality obligation of employees shall survive the resignation of any employee, the length of the term of which depends on actual situations as determined by the Company under the principle of fairness.
- 2.5 Principle Regarding Protection of the Company's Properties

Carefully protecting and utilizing of the Company's properties are the fundamental responsibilities of the employees. Employee is obliged to comply with the safety protection system of the working environment. Employee shall protect the Company's properties and have them utilized reasonably and effectively for the Company's valid business purposes, and shall not damage or occupy or unduly utilized the Company's properties in any manner.

The Company's properties mean those properties legally owned by or entitled to the Company, including all the tangible, intangible assets, commercial secrets or other professional information and business opportunities beneficial to the Company.

2.6 Principle Regarding Thrift and Environment Protection

2.6.1 Employee shall always stick to the principle of hardworking and thrift, and resist any extravagance, waste and luxury entertainment. Employee shall be subject to strict budget management, and should save as much as possible in duty performance and activities.

2.6.2 Employee is obligated to abide by environment protection policies, laws, regulations and rules in performing duties and shall minimize the discharge of harmful substance and negative environment impact as legally required.

Section 3 Principle Regarding Conflicts of Interests

3.1 The business decisions and behaviors of the Company shall be based on the best interests of the Company and shareholders instead of the personal considerations of employees. In case of any conflict of interests between the employees and occupational behavior, the employee shall make independent and correct business judgment in the best interests of the Company and shareholders.

3.2 The "conflict of interests" hereunder refers to any conflict, actual or potential, between personal interests and corporate interests, or personal interests and obligations, including but not limited to:

- (1) Any act or any interests of the employee that may directly or indirectly impair his or her fair and efficient performance of duties.
- (2) Employee or his or her family members receive any improper personal benefits as a result of his or her position in the Company.

3.3 Employees shall not:

- (1) bribe others or receive bribe or other unlawful income as a result of the position in the Company;
- (2) make unlawful or improper benefits for himself or herself, or family members or other person as a result of the position in the Company;
- (3) seize or cause others to seize business opportunities of the Company by taking unfair advantage of the position or resources in the Company, unless the Company has known and waived such opportunity in writing;
- (4) seek for personal benefits in any manner through the corporate assets;
- (5) engage in, independently or jointly or for any other party, any business competing with the Company;
- (6) establish or maintain any direct or indirect consulting, advisor or employment relationship with any competitor of the Company;
- (7) engage in any other act impairing the interests of the Company.

3.4 The employees shall follow the rules below in settling any conflict of interests:

- (1) abide by the Articles of Association and rules of the Company, loyally perform duties, avoid conflict of interests, safeguard the best interests of the Company and shareholders;

- (2) promptly report to same-level corporate supervisory department if there is any actual or potential conflict of interests in performing the duties.
- 3.5 When getting aware of the conflict of interests below, defined as severe conflict of interests, any employee shall report to the Supervisory Department within 5 business days thereafter:
 - (1) the employee holds majority equity capital or other investor equity in any customer, supplier or competitor of the Company;
 - (2) in any consulting, advisor or employment relationship with any customer, supplier or competitor of the Company;
 - (3) receive any major benefits from any company having existing or potential business relationship with the Company;
 - (4) engage in important business activities that occupy and disperse the time or energy commitment to the duties in the Company, and are independent from the interests of the Company;
 - (5) assume any position in charge of supervision, examination, performance evaluation, compensation and benefits of any of his or her immediate family members or in any other manner.
- 3.6 The above rules of conflict of interests shall also apply to the above behaviors of immediate family members of the employees of the Company.

Section 4 Relations between Employees and Relevant Parties

- 4.1 Relations with customers:
 - 4.1.1 Uphold the service philosophy of "Customer Service Culture", quickly respond to customer demands, honor promises, provide outstanding services to customers, truthfully inform the customers of any information about services and products of the Company in the principle of integrity in compliance with Rule 2.4 and Sections 5 hereunder, disclose no misleading, severely incomplete or fake information to customers;
 - 4.1.2 Fairly and honestly treat customers; under equal conditions, each employee shall fairly treat all customers, fully respect customer's freedom in purchasing of services or products, and not impose unfair obligations upon or unequal business conditions to the customers against the intention of the Company through agreements or any other means; It is prohibited to take any act violating the current laws and regulations on customer interests protection, anti fraud and bribery, anti unscrupulous competition and anti monopoly;
 - 4.1.3 Cautiously handle the arrangement of sales-related commission, discount, credit and allowance in the marketing process within legal, reasonable and proper range; provide sponsorship, gift, entertainment and business treatment to customers in the legal interest of the Company, and control such offer within the legal, reasonable and proper range; prohibit building up customer relation via bribing, discount and other illegal means or other means negative to the Company.
- 4.2 Relations with Suppliers:
 - 4.2.1 The employees shall fairly treat the suppliers, select suppliers via fair competition or bidding, and make comprehensive, independent, objective and fair consideration of the supplier qualification, product or service quality, business credit, quotation and after-sales services via bid invitation or other fair/reasonable means in light of the current rules of the Company;

4.2.2 Employees shall follow the rules below in business relation with supplies on behalf of the Company:

- (1) Abide by the provisions in Rule 2.1 hereof; prohibited from any unscrupulous competition, any behavior violating anti monopoly/corruption/bribing regulations;
- (2) Voluntarily protect legal interests of the Company, receive no bribe, discount or any other material benefits from suppliers that may prejudice independent business judgment of employees;
- (3) Stick to the corporate culture, respect the corporate culture of the supplier, treat suppliers and business representatives in generally accepted business etiquette, and not disclose any trade secrets or other confidential information of the supplier as mutually agreed or regulated.

4.3 Relations with competitors:

4.3.1 In market competition, the Company is committed to trustworthy cooperation for mutual benefits in pursuit of a fair, orderly and efficient market competition order. The Company, upholding the principle of legal management and operation, prohibits employees from any occupational behaviors violating current laws and regulations about anti unscrupulous competition and anti monopoly. Any employee, becoming aware of any violation or potential violation of current laws and regulations about anti unscrupulous competition and anti monopoly by the Company or competitors, shall immediately report to the relevant departments of the Company.

4.3.2 In marketing process, highlight the market promotion through service, product and brand, prohibited from any unscrupulous competition means through exaggeration or distortion of facts, imputation of competing product quality, service quality, financial conditions and business reputation of competitors;

4.3.3 In the market research, obtain competitor information of products, service and marketing strategies through legitimate sources, prohibited from gaining any trade secrets or other confidential information of any competitor through illegal or improper sources;

4.3.4 Be extremely cautious in negotiation with competitors; in principle, any employee shall shun from any discussion of any topic that may constitute monopoly, limitation of competition or unscrupulous competition behaviors, and immediately notify the relevant departments of the Company.

4.4 Relations with regulatory authorities:

4.4.1 Submit to lawful administration of the telecom market by regulatory authorities, and maintain close communications with the government to help safeguard legitimate interests of the Company;

4.4.2 In respect of the relationship with regulatory authorities or officers, the employees shall take due consideration of the anti-corrupt rules governing the government officers and control such behaviors within legal range, and it is prohibited to offer any benefits to regulatory officers that may impair his or her fair judgment. It is prohibited to bribe, directly or indirectly, any regulatory officer in the name of the Company, or take any act violating the spirit of anti-corruption/bribe regulations, or violating civil servant policies, laws, regulations and administrative rules about part-time job in companies;

4.4.3 Provide services to the government pursuant to Rule 4.1 hereof about customer relationship, and policies, laws, regulations and administrative rules about anti-corruption/bribe, government procurement, bid invitation and bidding;

4.4.4 Ensure true, complete, accurate and prompt disclosure to the government in any form, such as reports, applications, certificates and declarations; promptly

communicate with the preparation organs of the Company if there is any misleading information, material omission, material mistakes, significant misunderstanding or other error in any information furnished to the government, and disclose to the government through the disclosure department of the Company for immediate correction.

4.5 Relation with other employees:

4.5.1 Employees shall respect the dignity, religious belief and personal privacy of others, and are prohibited from harassing others in any manner, and any behavior resulting in threatening or hostile working environment.

4.5.2 All employees shall be devoted to teamwork from the macro perspective, forge the conscientiousness of joint creation and advance, be open-minded in sharing knowledge, experience and the joy of success with others, and try to excel over the average team level in terms of personal competence and contribution.

Section 5 Principle of Information Disclosures

5.1 Any public information disclosure of the Company shall be subject to uniform arrangement by the competent information department, without the consent of which no employees are allowed to make any public information disclosure or disclose any non-public corporate information, or publicly disclose or publish any personal comment on and opinion about the Company in the capacity of the employee of the Company or in the name of the Company.

5.2 All financial statements, accounting records, business analysis report, research report and other documents prepared by the Company shall accurately and explicitly reflect the facts.

5.3 Employees shall be acquainted with and abide by the information disclosure policies of the Company, and ensure all documents submitted to regulatory authorities and public disclosure documents in compliance with all applicable regulatory policies, laws, regulations and administrative rules in all material aspects.

5.4 The employees, in charge of or supervising any documents submitted to regulatory authorities, or public disclosure of corporate business, financial, performance and forecast information, shall join with concerned employees for thorough examination and analysis of the information to be disclosed in light of the truthfulness, accuracy and completeness, in an effort to ensure the true, complete, accurate and prompt disclosure.

5.5 Employees shall also follow the rules below regarding disclosure:

- (1) be acquainted with the applicable disclosure requirements of the Company;
- (2) prohibited from knowingly disclosure, or in exercise of reasonable care should have known, by himself or herself or causing any other party, of any misleading, significantly incomplete or fake information to internal or outside person (e.g., independent auditor, regulatory authority and media).

Section 6 Principles of Reporting

6.1 Unless otherwise stipulated hereunder, any employee may report to the same-level Supervisory Department of any violation or pending violation of this Code, which shall report to the management to take proper preventive and punitive measures against any actual violation.

- 6.2 In case of any violation or pending violation of this Code by general manager, deputy general manager and similar senior executives of non-legal person branches (collectively "Management Member", same as legal person entity), any employee may report to the superior Supervisory Department, which shall report to the superior management for settlement as set above.
- 6.3 In case of any violation or pending violation of this Code by Executives of legal-person companies, any employee may report to same-level Supervisory Committee or supervisor, who shall report to the same-level Board of Director fro settlement as above.
- 6.4 It is prohibited to retaliate on any reporting employee.

Section 7 Appendix

- 7.1 This Code constitutes the guideline document of the occupational ethics of Employees. The occupational behaviors of Employees are also governed by applicable government policies, laws, regulations, administrative rules, Articles of Association, and current rules of the Company.
- 7.2 The Board of Directors and management of the Company shall supervise the enforcement of this Code as stipulated hereunder.
- 7.3 This Code shall take effect upon the approval of the Board of Directors of the China Communications Services Corporation Limited.
- 7.4 Any termination or modification of the Code shall be subject to the approval of the Board of Directors of China Communications Services Corporation Limited in the form of board resolutions pursuant to the Articles of Association.
- 7.5 This Code shall be interpreted by the Board of Directors of China Communications Services Corporation Limited.