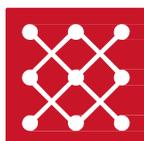


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中國通信服務
CHINA COMSERVICE

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)

INITIAL GRANT OF THE SHARE APPRECIATION RIGHTS

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

References are made to the announcement of the Company dated 22 November 2021 and the circular of the Company dated 1 December 2021 (the “**Circular**”), in relation to the proposed adoption of the Share Appreciation Rights Incentive Scheme (the “**Scheme**”) and the proposed Initial Grant (the “**Initial Grant**”), as well as the announcement of the Company dated 22 December 2021, in relation to the poll results of the extraordinary general meeting (the “**EGM**”). Unless otherwise defined, the terms used in this announcement shall have the same meaning as those defined in the above announcements and the Circular.

The Board hereby announces that, as the Scheme and the Initial Grant have been approved by the SASAC and the EGM and the grant conditions under the Scheme and the Initial Grant have been satisfied, the Board considered and approved the resolution on the implementation of the Initial Grant of the Share Appreciation Rights on 22 December 2021 and determined to grant the Share Appreciation Rights on 22 December 2021 (the “**Date of Grant**”).

Details of the Initial Grant are Summarized as Follows:

Total number of shares issued by the Company	:	6,926,018,400
Total number of the Share Appreciation Rights granted under the Initial Grant	:	207,270,000
Percentage of the number of the underlying shares corresponding to the Share Appreciation Rights granted under the Initial Grant to the total number of shares in issue	:	2.993%

Under the Initial Grant, approximately 207.27 million shares of Share Appreciation Rights in aggregate are proposed to be granted to an anticipated total of 981 Incentive Recipients. The corresponding number of H Shares represents approximately 2.993% of the total issued share capital of the Company as at the date of this announcement. Among that, no more than 4.16 million shares of Share Appreciation Rights are proposed to be reserved, representing approximately 2% of the total number of Share Appreciation Rights under the Initial Grant. Such reserved Share Appreciation Rights are proposed to be granted to other core talent and will be determined and granted within 12 months. The Incentive Recipients includes the management of the Company, the operational management of provincial companies and professional companies of the Group, as well as professional talents, and core management, technical and business personnel, etc. who contributed prominently to the Company's operating results and sustainable development.

The Exercise Price of each of the Share Appreciation Rights granted under the Scheme is HK\$3.68, being the highest of the following three prices: (1) HK\$3.68, being the closing price of the H Shares of the Company as stated in the daily quotation sheet of the Stock Exchange as at the Date of Grant (i.e. 22 December 2021); (2) HK\$3.65, being the average closing price of the H Shares of the Company as stated in the daily quotation sheet of the Stock Exchange for five consecutive Trading Days prior to the Date of Grant; (3) RMB1.00, being the nominal value of the H Shares of the Company.

General Information

According to the Scheme, each of the Share Appreciation Rights is relevant to one H Share and will be settled by cash. Therefore, it will not affect the total number of issued H Shares of the Company, neither will have diluted influence on the Company's shares. The Scheme would not involve the grant of share options in respect of new shares or other new securities to be issued by the Company (or any of its subsidiaries) and therefore, it does not fall within the ambit of, and is not subject to the requirements under Chapter 17 of the Listing Rules.

The Incentive Recipients do not own any shares, nor do they have voting rights or placing rights as the Shareholders. The Incentive Recipients shall not deal with the Share Appreciation Rights granted without permissions (including but not limited to transfer, disposal, exchange, pledge, guarantee and repaying debts).

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

Beijing, PRC
22 December 2021

As at the date of this announcement, our executive directors are Mr. Huang Xiaoqing and Ms. Zhang Xu, our non-executive directors are Mr. Gao Tongqing and Mr. Mai Yanzhou, and our independent non-executive directors are Mr. Siu Wai Keung, Francis, Mr. Lv Tingjie, Mr. Wu Taishi and Mr. Liu Linfei.