

## Investor Relations

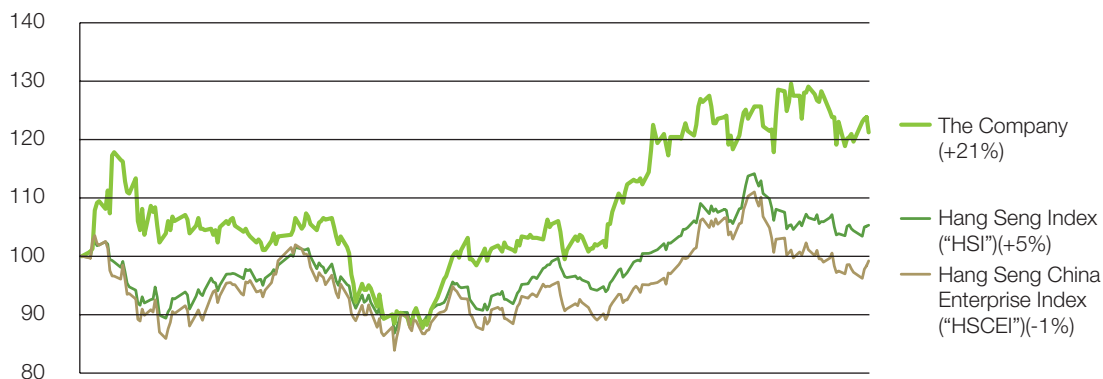
2010 marked the fourth year of the Company's listing in Hong Kong. Since its listing, the Company has gradually formed a scientific and systematic management mechanism for investor relations after plenty of exploration and practice, which serves as a bridge for effective communication between the Company and the capital market. The Company has always attached great importance to investor relations. Adhering to the disclosure principles of openness, fairness, transparency and multi-channel, the Company discloses its financial and operation information to the capital market timely. It also listens attentively to various suggestions and proposals from the capital market with regards to the Company's management and operation in a proactive, sincere and humble manner so as to improve the Company's management quality, enhance shareholders' value and maximize their interests.

### CONTINUED GROWTH IN RESULTS WITH ROBUST SHARE PRICE PERFORMANCE

In 2010, telecommunications operators significantly reduced their investment in network construction after 3G investment peaked in 2009, which affected the confidence of the capital market in the Company's performance in the first half of 2010. In view of this situation, the Company effectively communicated with the capital market regarding the strategies and measures taken to tackle such situation through various communication channels including one-on-one meetings, investor forums held by investment banks and non-deal road shows. The efforts therefore enabled a comprehensive understanding of the Company's development prospects and managed expectation of capital market in a timely and effective manner. The Company thereafter announced its sound interim results with a sustained and steady growth, thus pushing its share price up to better reflect the value and development prospects of the Company.

2010	Highest	Lowest	Closing
Price per H share of the Company (HK\$)	4.99	3.27	4.63

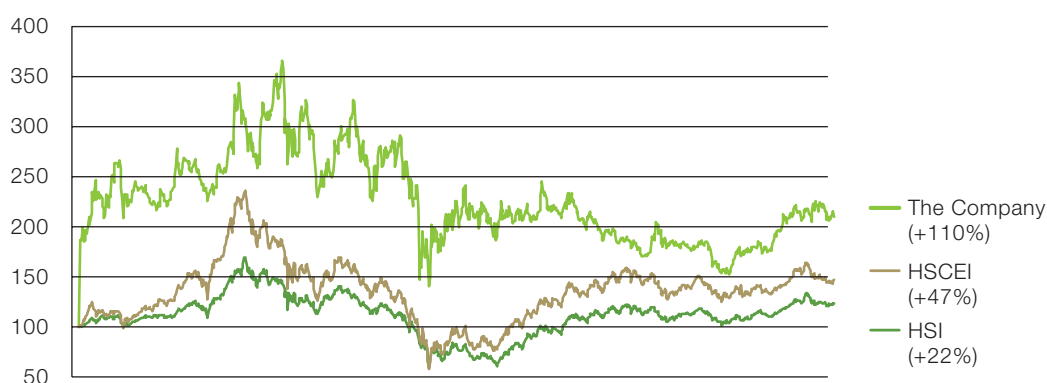
Share Price Performance in 2010  
From 1 January 2010 to 31 December 2010



## Investor Relations

The Company's H shares were listed on the Stock Exchange on 8 December 2006 at an offer price of HK\$2.2 per share. Since the Company's IPO, the steady growth of the Company's earnings, the proficient corporate governance, together with the consistent and effective investor relations practices have given a strong impetus to the sustained upward trend of the Company's share price. Since its listing to 31 December 2010, the prices of the Company's H shares had increased by 110%.

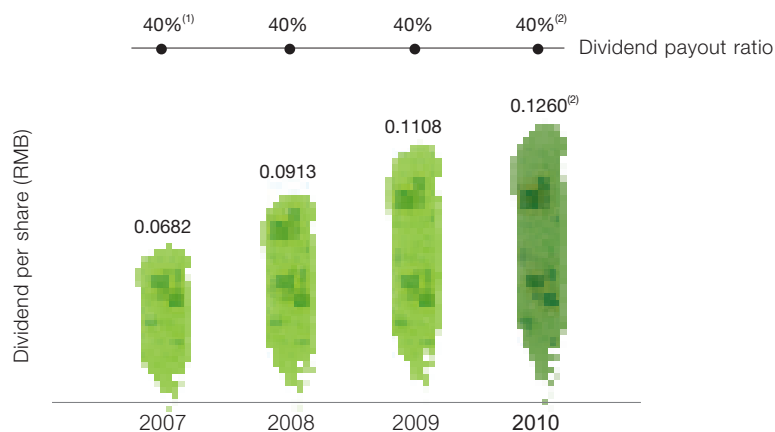
**Share Price Performance Since Listing  
From 8 December 2006 to 31 December 2010**



As of 31 December 2010, the total number of shares of the Company were 5,771,682,000, of which, 3,778,831,800 shares were domestic shares, and 1,992,850,200 were H shares, both with par value of RMB1.00 each. All the H shares of the Company are listed at the Stock Exchange, representing approximately 34.5% of the total issued shares of the Company. Based on the closing price as of 31 December 2010, the Company's market value was about HK\$26.7 billion.

### SHAREHOLDER RETURNS

The Company attaches great importance to the shareholders' views on its dividend payout. The Company determines its dividends payout with reference to the Company's financial status, long-term development needs and potential investment opportunities. The following table shows the steady growth of the Company's dividend per share and the dividend payout ratio since its listing, which demonstrates the Company's continued efforts in steadily increasing shareholders return.



<sup>(1)</sup> The calculation of the 2007 dividend payout ratio excluded the net profits contributed by the acquisitions in 13 provincial business prior to 31 August 2007 (being the completion date of the acquisitions).

<sup>(2)</sup> Subject to the approval at the 2010 annual general meeting to be held on 28 June 2011.

## Investor Relations

### DEPLOYING INTERACTIVE MULTI-CHANNELLED COMMUNICATION TO REALIZE EFFECTIVE INVESTOR RELATIONS

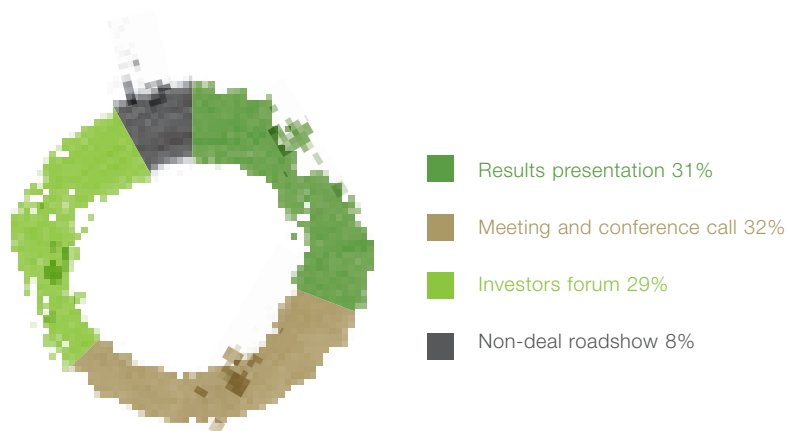
#### Enhancing investor relations management system

The Company has been committed to establishing a scientific and systematic management system of investor relations. In 2010, the Company further defined and improved the procedures of major investor relations practices, including results announcement, non-deal road shows, disclosure of material information, etc. In 2010, the Company also further upgraded the investor database with the support of its established investor relations management platform, thus standardizing and systematizing the major work on investor relations, including investor meeting scheduling, investor information's collection and classification as well as investor shareholding analysis.

#### Facilitating diversified and multi-channelled investor activities

In 2010, the Company communicated its development philosophy and strategies and its latest operation results in the capital market in a timely manner through various investor communication channels, including analyst briefings, non-deal roadshows, one-on-one meetings, investor forums organized by investment banks, telephone conferences, emails, and investors' on-site visits as well as the Company's website. Meanwhile, according to the needs and styles of different analysts and investors, the Company flexibly arranged senior managements with different responsibilities to participate various investor relations activities. Since the listing, the Company's senior managements including Chairman, President, Chief Financial Officer and executive vice presidents have participated in plenty of investor activities to fully communicate with the capital market, which truly realized multi-channelled communications. In 2010, the Company hosted two analyst presentations and two press conferences on its annual results and interim results respectively, held two non-deal roadshows, participated in eight international investor forums held by investment banks, and conducted hundreds of one-on-one meetings and telephone conferences in the usual course. Throughout 2010, the Company facilitated interactive communications with nearly 400 investors or analysts. Upon the request of investors, the Company also arranged investor on-site visits in 2010 to help investors to have a direct communication with the Company's operating frontier, and these activities have enhanced the investors' understanding on the Company's businesses and operations.

#### Attendance Analysis of Investor Relations Activities in 2010



## Investor Relations

**List of investor relations activities of the Company conducted in 2010**

Period	Activities	Venue
1/2010	UBS Greater China Conference 2010	Shanghai
1/2010	Deutsche Bank Access China Conference 2010	Beijing
3/2010	2009 Annual Results Announcement – Analysts Briefing – Press Conference	Hong Kong
3/2010	Non-Deal Roadshow	Hong Kong
4/2010	Nomura China Conference	Chongqing
6/2010	Goldman Sachs Telecom & Internet Corporate Day 2010	Hong Kong
8/2010	2010 Interim Results Announcement – Analysts Briefing – Press Conference	Hong Kong
9/2010	Non-Deal Roadshow	Hong Kong
10/2010	Citi Greater China Investor Conference 2010	Macau
11/2010	Daiwa Investment Conference	Hong Kong
11/2010	Goldman Sachs China Investment Frontier Conference 2010	Beijing
12/2010	RBS – China Access 12th Five-Year Plan Conference	Hong Kong

## Investor Relations

**ADHERING TO TIMELY, JUST, FAIR AND ACCURATE INFORMATION DISCLOSURE**

The Company has strictly complied with the information disclosure requirements for listed companies and made information disclosure in a timely, just, fair and accurate manner so as to enhance the transparency of the Company, established smooth communication channels, and enhanced communications with the capital market. In 2010, the Company published more than 19 corporate communications such as announcements and circulars. Such publications have objectively and comprehensively disclosed information regarding the Company's results, operating performance, financial information, dividend payment, connected transactions, the change of important executive positions and composition of the Board, poll results of shareholder meetings and certain other voluntary disclosures. The Company's website (<http://www.chinaccs.com.hk>) is not only a distribution channel for relevant information dissemination as required by the Listing Rules, it is also an important means for the capital market to access information and contact with the Company.

In 2010, the Group published the following information on the websites of the Stock Exchange and the Company pursuant to the Listing Rules:

3/3/2010	Announcement on the appointment of executive vice president
15/3/2010	Announcement relating to the date of the board meeting to approve the 2009 annual results
30/3/2010	Announcement of annual results for the year ended 31 December 2009
07/4/2010	Announcement relating to connected transactions
19/4/2010	2009 annual report
19/4/2010	Notice of the annual general meeting to be held on 28 June 2010, reply slip and proxy form
21/6/2010	Resignation of director and change of important executive positions, proposed appointment of director and proposed amendments to the Articles of Association
24/6/2010	Notice of extraordinary general meeting to be held on 10 August 2010, reply slip and proxy form
28/6/2010	Poll results of the annual general meeting held on 28 June 2010 and payment of final dividend
10/8/2010	Poll results of the extraordinary general meeting held on 10 August 2010
18/8/2010	Announcement relating to the date of board meeting to approve the 2010 interim results
31/8/2010	Announcement of interim results for the six months ended 30 June 2010
14/9/2010	2010 interim report
27/10/2010	Announcement relating to the appointment of executive vice president
9/11/2010	Announcement relating to the renewal of continuing connected transactions and proposed new annual caps
12/11/2010	Notice of extraordinary general meeting to be held on 30 December 2010, reply slip and proxy form
12/11/2010	Circular relating to the renewal of continuing connected transactions and proposed new annual caps
30/12/2010	Announcement relating to the change of important executive positions and the proposed appointment of director
30/12/2010	Announcement relating to the poll results of the extraordinary general meeting held on 30 December 2010

## HEARING INVESTORS COMPREHENSIVELY AND REALIZING INTERACTIVE COMMUNICATIONS

As the Company enhances investor communications and information disclosure, the Company also attaches great importance to its investors' recommendations and opinions. With a proactive, sincere and modest attitude, the Company collected and filed the opinions and recommendations on the Company's operation and management through different channels of investor communications. These initiatives also included the provision of an investor relations electronic mailbox on its website and a direct telephone line for investors to express their views. The Company actively inquired investors of their recommendations on the Company's operation and management during investor activities and forwarded these opinions and recommendations to the management and supervisors at all levels on a regular and timely basis, hence enabling a two-way interaction with the investors and helping the Company to formulate its development strategies and improve its operation and management.

## ANALYZING SHAREHOLDING STATUS TO FURTHER ENHANCE INVESTOR COMMUNICATION

To better and more effectively communicate with its investors and formulate its investor relations development strategies, the Company has been aware of the importance of a timely and thorough understanding on its shareholding status. In 2010, the Company appointed an international survey company to conduct two investigations on the shareholding of the Company. Through these investigations, the Company was able to have a comprehensive, precise and in-depth understanding of its shareholding structure, geographical locations of shareholders, investment styles, fund sources and position changes in shareholdings, etc., thus forming a strategic basis and foundation for the Company to enhance communications with investors, expand its overseas and domestic shareholder base, and manage investor relations more effectively.

### Shareholding Structure

As of 31 December 2010



China Telecommunications Corporation	52.6%
China Mobile Telecommunications Corporation	8.8%
China United Network Communications Group Company Limited	4.1%
Commonwealth Bank of Australia	6.3%
Matthews International Capital Management, LLC	3.8%
Other public shareholders	24.4%

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### RECOGNITION AND HONORS IN CAPITAL MARKET

In 2010, there were increasing number of analysts covering and following the Company. There are various international research institutions regularly publishing research reports on the Company. Since the Company's listing, the Company's investment value has been highly recognized and as of 31 December 2010, most of the major research institutions maintained "Buy" or "Hold" investment ratings on the Company.

In 2010, the Company achieved remarkable performance and progress in respect of investor relations and helped the Company gain wider recognition from the capital market. The Company was awarded 5 international awards that showed the effectiveness of the Companies' investor relations practices.

#### Major awards and recognitions in 2010

- "The Asset Corporate Awards 2010" by The Assets  
– Gold Award – Investor Relations
- "2010 International Galaxy Awards"  
– "Annual Reports: Telecommunications" – Gold Award
- "2010 International ARC Awards"  
– "Overall Annual Report" – Silver Award  
– "Interior Design" – Silver Award
- "2010 FORTUNE China 500" published by Fortune China  
– Rank 64th
- "Investor Relations Website" by IR Global Rankings  
– 3rd for IR website in China



## OTHER NECESSARY 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, 17th Floor, 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:  
Telephone: (852) 3699 0000

### Investor relations

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](mailto:ir@chinaccs.com.hk)