

## Investor Relations

2011 marked the fifth year of the Company's listing. In the past five years, the Company has always emphasized the works of investor relations, insisted in improving the multi-channel interactive communication mechanism with the capital market and adhered to timely, just, fair and accurate information disclosure principles. The Company received a number of awards in the investor relations field, which indicated that the Company's investor relations were highly recognized by the capital market. During the year, the Company initiated the rights issue plan in order to secure the successful execution of our strategies for the coming few years, and the sound investor relations of the Company played an active role.

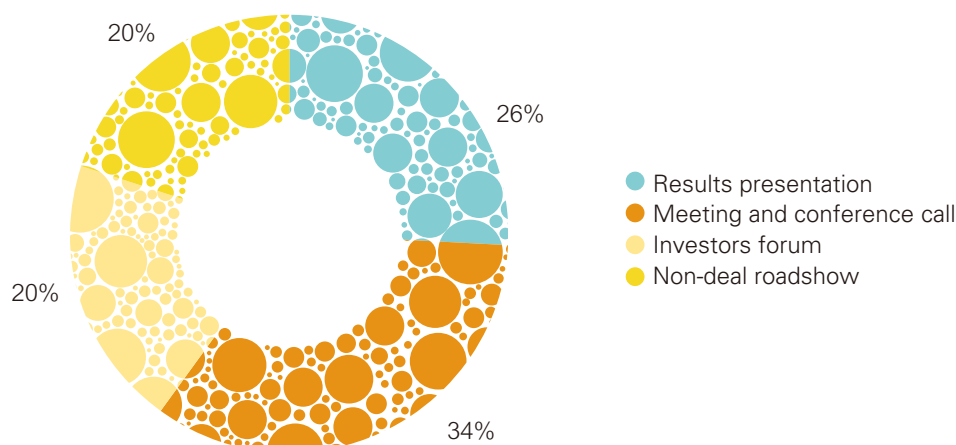
In future, the Company will endeavor to build pragmatic and efficient investor relations practices, and facilitate the further enhancement of its shareholders' value and maximize the returns to its shareholders.

### Investor Relations Activities

In 2011, the Company initiated the rights issue plan for supporting the strategic development in the coming few years. In order to achieve smooth implementation of the rights issue, the Company promptly responded to the doubts of the investors and listened to their views and recommendations on the rights issue through a series of effective investor communication strategies and in a proactive and sincere manner. The rights issue scheme was finally approved in the general meeting with overwhelmingly proportion voting for the plan and was implemented by the end of the year. In the process of implementing the rights issue, the Company adopted various communication strategies at key nodes of timeline, including extensive global non-deal roadshows at the end of March to early April in 2011, two analysts' conference calls and two global investors' conference calls after the rights issue's officially launched in December 2011 as well as proactive information disclosure on capital market concerned issues (such as the approvals of the rights issue by State-owned Assets Supervision and Administration Commission of the State Council and China Securities Regulatory Commission) with the purpose to increase transparency of the Company.

Apart from the above major activities for the rights issue, the Company also insisted in improving the multi-channel interactive communication mechanisms with the capital market. Through a diversified communication channels such as investor and press conferences, non-deal roadshows, investor forums held by investment banks, one-on-one meetings, teleconferences and video conferences, emails, press releases as well as investor relations website, the Company promptly released its latest activities and business results as well as its vision and strategies in future development to the capital market. In 2011, the Company facilitated interactive communications with over 500 analysts and investors.

### Attendance Analysis of Investor Relations Activities in 2011

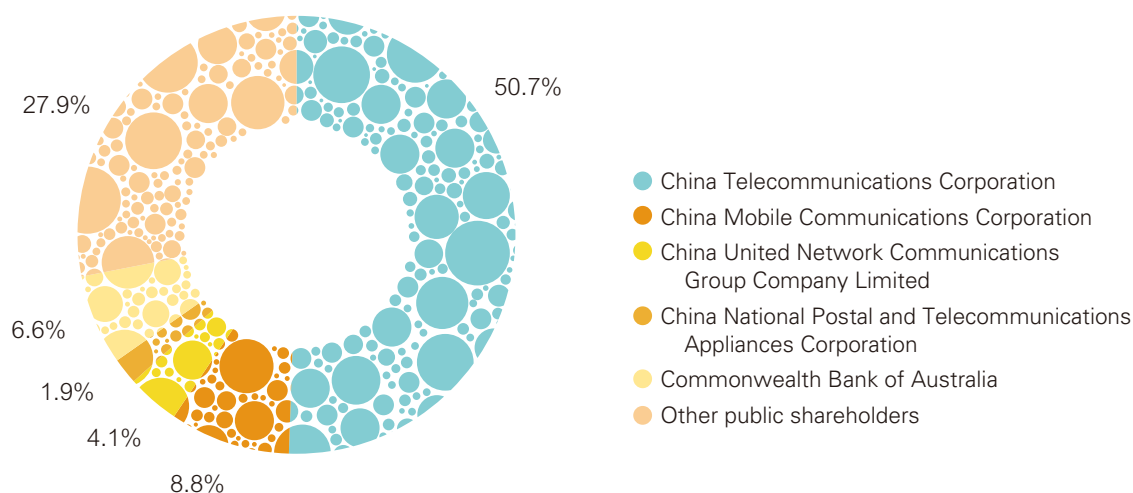


## List of investor relations activities of the Company conducted in 2011

Period	Activities	Venue
1/2011	DB Access China Conference 2011	Beijing
1/2011	UBS Greater China Conference 2011	Shanghai
3/2011	2010 Annual Results Announcement – Analysts Briefing – Press Conference	Hong Kong
3–4/2011	Non-deal Roadshow	Hong Kong, Singapore, UK and USA
5/2011	Macquarie Greater China Conference	Hong Kong
6/2011	J.P. Morgan China Conference 2011	Beijing
8/2011	2011 Interim Results Announcement – Analysts Briefing – Press Conference	Hong Kong
8/2011	Non-deal Roadshow	Hong Kong
9/2011	Mirae Asset Mobile Internet Access Day	Hong Kong
10/2011	Citi Greater China Investor Conference 2011	Macau
10/2011	Goldman Sachs China Investment Frontier Conference 2011	Beijing
11/2011	Daiwa Investment Conference (HK) 2011	Hong Kong
11/2011	J.P. Morgan Asia Pacific Technology, Media & Telecommunications Conference 2011	Hong Kong
11/2011	Standard Chartered Asia Pacific Emerging Corporates Conference	Hong Kong
12/2011	RBS 2nd Annual HK/China Access Conference	Hong Kong

In 2011, the Company continued to appoint an international survey company to conduct investigations on the shareholding of the Company. Through two investigations in a year, the Company was able to have an in-depth understanding of its shareholding structure, geographical locations of shareholders, investment styles, fund sources and position changes in shareholdings, etc. These provided solid evidences and supports for the Company to enhance targeted communications with investors and manage investor relations more effectively and strategically.

## Shareholding Structure As of 31 December 2011



Source: Shareholders' register of the Company and the Stock Exchange

Note: The above shareholding structure was as of 31 December 2011, which has not reflected the changes after the completion of rights issue in February 2012. For detailed information on rights issue, please refer to "Report of the Directors".

## Information Disclosure

The Company firmly believes that information disclosure is not only the responsibility and obligation to protect investors' interest in accordance with the regulatory provisions for the listed companies, but also an important means to improve the transparency of the Company, enhance the understanding of the Company by the capital market and establish a smooth communication channel.

Since its listing, the Company has strictly complied with the information disclosure requirements for listed companies and made information disclosure in timely, just, fair and accurate manner. In 2011, the Company published more than 30 corporate communications such as announcements and circulars. Such publications have objectively and comprehensively disclosed information regarding the Company's results, operating performance, financial information, rights issue, dividend payment, connected transactions and poll results of shareholder meetings, and certain other voluntary disclosures, including the press releases on key cooperation projects between the Group and its partners as well as awards received from the capital market.

In 2011, the Company published the following information on the websites of the Stock Exchange and the Company pursuant to the Listing Rules:

6-Jan-2011	Circular on the proposed appointment of director
6-Jan-2011	Notice of the extraordinary general meeting to be held on 23 February 2011, reply slip and proxy form
23-Feb-2011	Poll results of the extraordinary general meeting held on 23 February 2011
14-Mar-2011	Announcement relating to the date of the board meeting to approve the 2010 annual results
30-Mar-2011	Announcement relating to the proposed rights issue of domestic shares and H shares
30-Mar-2011	Announcement of annual results for the year ended 31 December 2010
1-Apr-2011	Circular relating to the proposed rights issue of domestic shares and H shares
1-Apr-2011	Notice of the extraordinary general meeting to be held on 17 May 2011, reply slip and proxy form
1-Apr-2011	Notice of the H shareholders class meeting to be held on 17 May 2011, reply slip and proxy form
11-Apr-2011	Announcement of connected transaction
15-Apr-2011	2010 annual report
15-Apr-2011	Notice of the annual general meeting to be held on 28 June 2011, reply slip and proxy form
9-May-2011	Announcement relating to the proposed rights issue of domestic shares and H shares with revised basis and fund raising size
12-May-2011	Circular relating to the proposed rights issue of domestic shares and H shares with revised basis and fund raising size
12-May-2011	Notice of the extraordinary general meeting to be held on 28 June 2011, reply slip and proxy form
12-May-2011	Notice of the H shareholders class meeting to be held on 28 June 2011, reply slip and proxy form
19-May-2011	Announcement relating to the SASAC approval of the proposed rights issue of domestic shares and H shares
28-Jun-2011	Poll results of the annual general meeting held on 28 June 2011 and payment of final dividend
28-Jun-2011	Poll results of the EGM, domestic shareholders class meeting and H shareholders class meeting held on 28 June 2011
8-Jul-2011	Announcement relating to the further information on the payment of final dividend
17-Aug-2011	Announcement relating to the date of the board meeting to approve the 2011 interim results
30-Aug-2011	Announcement of interim results for the six months ended 30 June 2011
5-Sep-2011	Announcement of connected transaction
15-Sep-2011	2011 interim report
14-Nov-2011	Announcement relating to the revision of annual caps for continuing connected transactions
15-Nov-2011	Circular relating to the revision of annual caps for continuing connected transactions
15-Nov-2011	Notice of the extraordinary general meeting to be held on 30 December 2011, reply slip and proxy form
29-Nov-2011	Announcement of connected transaction
6-Dec-2011	Announcement relating to China Securities Regulatory Commission's approval of the rights issue
8-Dec-2011	Announcement of connected transaction
30-Dec-2011	Poll results of the extraordinary general meeting held on 30 December 2011
30-Dec-2011	Announcement relating to the proposed rights issue and closure of H share register

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, but also an important platform for the investors to access Company's information. With the development in network technology, mobile Internet and mobile communication tools, the capital market prefers to get timely information by new technology means. In 2011, in alignment with the development trend of the Internet, the Company improved the webpage design and functions of its website. New features such as e-annual reports, interactive share price charts, interactive investors' calendar and information sharing on social network. By enhancing the technology and interactivity of the website, the capital market can obtain Company's information in an easier, timely and comprehensive manner. The new website was ranked 10th in Asia Pacific region in "IR Website Award 2011" held by *IR Global Rankings* in 2011.

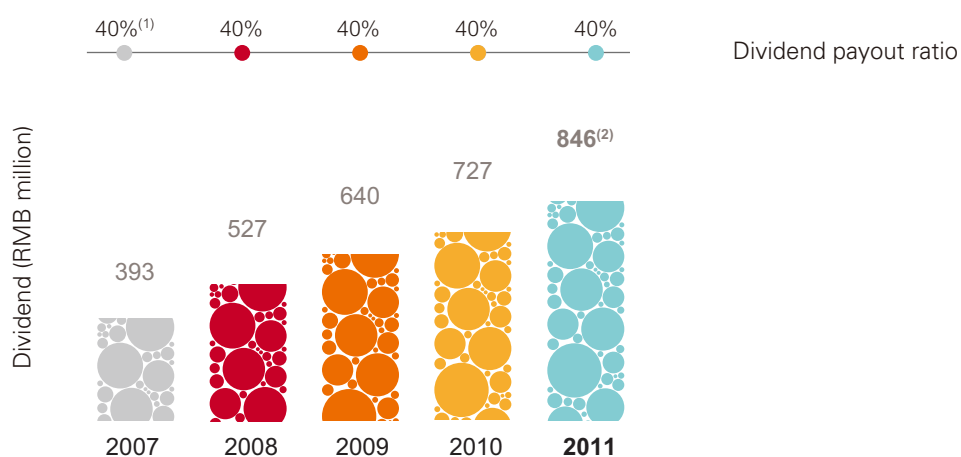


Annual report is also one of important means for detailed information disclosure by the Company. Through the annual report, the Company delivers a comprehensive analysis of operation, financial position and future strategies to investors for their better understanding of the Company's operating status and development trends. The theme of the Company's annual report 2010 was also closely tied in with its development vision and the corporate culture of "The Highest Excellence is Like That of Water", which comprehensively outlined the Company's corporate culture and direction of its future development. In 2011, the Company's 2010 annual report won the Grand Award in the category of "Interior Design – Hong Kong & PRC" and another 3 Gold Awards in "2011 International ARC Award" among 2,100 entries from 31 countries.



## Dividends

The Company attaches great importance to the shareholders' views on its dividends payout. The Company determines its dividends payout with reference to the Company's financial status, long-term development needs and potential investment opportunities. Although the Company announced the rights issue proposal in 2011 and has new plans of development, the Company maintained its dividend payout ratio at 40% of profit for the years of 2010 and 2011 after taking into adequate account about the interests of the shareholders, and sustained the stable dividend policy over the past few years since its listing



Notes:

<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 2011 annual general meeting to be held on 28 June 2012.

## Recognitions and Honors in the Capital Market

In 2011, there were an increasing number of analysts and institutional investors covering and closely following the Company. There were more than 10 international research institutions regularly publishing research reports on the Company. Since the Company's listing, the Company's investment value has been highly recognized by the capital market and as of 31 December 2011, most of the major research institutions maintained "Buy" or "Hold" investment ratings on the Company.

In 2011, the Company achieved remarkable performance and progress in respect of investor relations. The Company was highly recognized by the capital market and it won 10 international awards or recognitions. The Company's annual report 2010 won the Grand Award in the category of "Interior Design – Hong Kong & PRC" in "2011 International ARC Award", which is the world's largest and most independent competitions of annual report, also known as the "Academy Awards of Annual Report" in the financial area. The Company was also awarded the "Gold Award – Investor Relations" by *The Asset* in "The Asset Corporate Awards 2011", as well as other gold awards in *Corporate Governance Asia* and "International Galaxy Award", etc. These honors fully demonstrated the competence and efficiency of the Company's investor relations work. The Company will continue to strengthen the quality and effectiveness of its investor relations works and strive for the maximization of its shareholders' value.

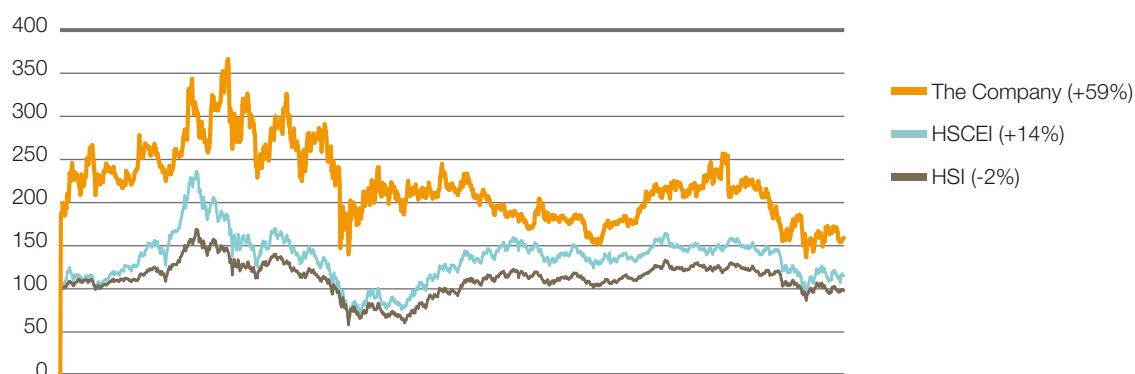
### Major awards and recognitions in 2011

- "2011 International ARC Awards"
  - "Interior Design – Hong Kong & PRC" – Grand Award
  - "Interior Design "and "Illustrations" – total of 3 Gold Awards
- "The Asset Corporate Awards 2011" by *The Asset*
  - Investor Relations – Gold Award
  - China's Most Promising Companies 2011
- "Asian Excellence Recognition Awards 2011" by *Corporate Governance Asia*
  - Best Investor Relations by a China Company
- "2011 International Galaxy Awards"
  - "Annual Reports – Telecommunications" – Gold Award
  - "Annual Reports Cover Design – Graphics/Text" – Silver Award
- "2011 FORTUNE China 500" published by *Fortune China*
  - Ranked 79th

## Share Price Performance

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. During the last five years since its listing, the Company sustained steady growth. On the basis of stable performance, efficient corporate governance and good investor relations, the share price performance had been good in overall terms. The price of the Company's H shares as at 31 December 2011 increased by over 50% since its listing.

### Share Price Performance Since Listing From 8 December 2006 to 31 December 2011



As of 31 December 2011, the total number of shares for the Company was 5,771,682,000 shares, of which, 3,778,831,800 shares were domestic shares and 1,992,850,200 shares 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 2011, the Company's market value was about HK\$19.7 billion.

#### 2011

Price per H share of the Company (HK\$)

Highest

5.52

Lowest

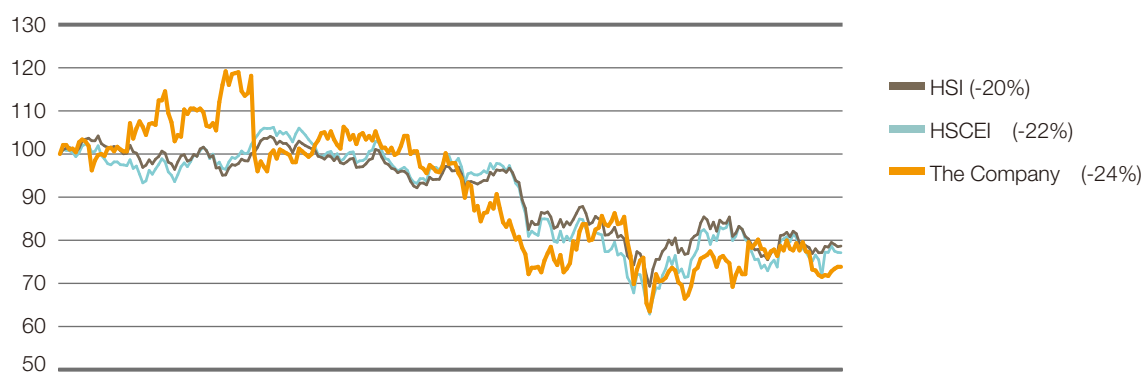
2.94

Closing

3.42



## Share Price Performance in 2011 From 1 January 2011 to 31 December 2011



## 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  
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