

# INVESTOR RELATIONS

Investor relations is an important channel for listed companies to interact and communicate with the capital market. The Company strives to practice effective investor relations measures through various channels to maintain close and timely communication with the investors. Investors are thereby able to have better understanding on the updates of the Company's latest operation and development while the Company can gather information through the enquiries and concern raised out by the investors. The management of the Company is able to have a comprehensive understanding on the advice, comment and expectation of the investors.

As the Company always places great emphasis on investor relations, fairness and transparency remain the fundamental and the Company will continue to adhere to the principle of timeliness, accuracy and effectiveness to establish a better and more effective multi-channel interactive communication mechanism. The Company strives for perfection and persists to maintain best investor relations practice and continues to enhance and realize the investment value of the Company.

## INVESTOR RELATIONS ACTIVITIES

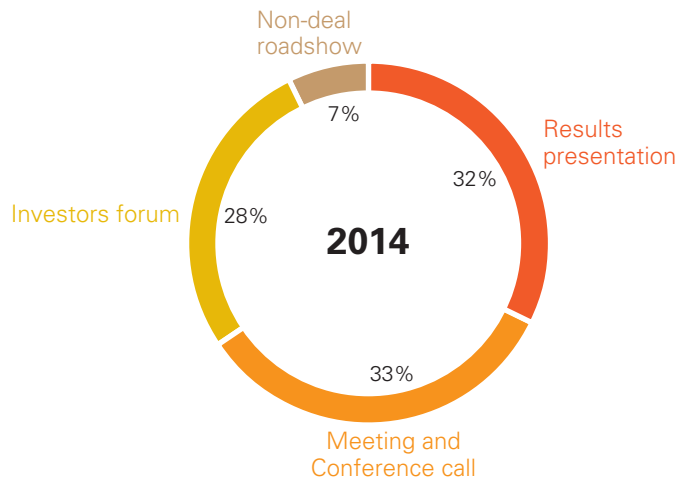
The Company strives to enhance its transparency and improve its communication mechanism with the capital market. The Company conducts constructive mutual communications with the capital market through multiple channels to enhance the understanding of investors of the Company and at the same time update the management about different comments on the Company from the capital market.

The Company organizes and participates in investor and press conferences, non-deal roadshows, investor forums organized by investment banks, one-on-one meetings, teleconferences and video conferences, and timely disseminates information such as development updates and operating results of the Company to the capital market through multiple channels including emails, press releases as well as investor relations website. In 2014, the senior management and the investor relations department of the Company held meetings and communicated with around 500 analysts and investors through the above channels.



2014 Annual Results Presentation

ATTENDANCE ANALYSIS OF INVESTOR RELATIONS ACTIVITIES IN 2014



LIST OF INVESTOR RELATIONS ACTIVITIES OF THE COMPANY IN 2014

Period	Activities	Venue
1/2014	DB Access China Conference 2014	Beijing
3/2014	2013 Annual Results Announcement – Analyst Briefing – Press Conference	Hong Kong
3/2014	Non-deal Roadshow	Hong Kong
5/2014	Macquarie Greater China Conference	Hong Kong
5/2014	DBS Vickers Pulse of Asia Conference	Hong Kong
5/2014	BNP Paribas 5th Annual Asia Pacific TMT Conference	Hong Kong
5/2014	Nomura Pan-Asia Technology Forum 2014	Hong Kong
6/2014	Standard Chartered D3/T5 China Day 2014	Hong Kong
8/2014	2014 Interim Results Announcement – Analyst Briefing – Press Conference	Hong Kong
8/2014	Non-deal Roadshow	Hong Kong
10/2014	Jefferies 4th Annual Asia Summit	Hong Kong
11/2014	Citi Greater China Investor Conference 2014	Macau
11/2014	BAML China Conference 2014	Beijing
11/2014	Goldman Sachs Greater China CEO Summit 2014	Hong Kong

## INVESTOR RELATIONS

### SHAREHOLDING STRUCTURE

In 2014, the Company continued to appoint an international survey company to conduct two comprehensive investigations on the shareholding structure of the Company. With a better understanding of the structure and position changes in its shareholding, background, geographical locations and investment styles of shareholders, the Company was able to conduct more targeted communication with investors and enhance the effectiveness of its investor relations program.

### SHAREHOLDING STRUCTURE<sup>(1)</sup> AS OF 31 DECEMBER 2014



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### 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 transparency and enhance the understanding of the Company by the capital market.

Since its listing, 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. In 2014, the Company published more than ten 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, poll results of general meetings, and certain other voluntary disclosures as well as awards received from the capital market.

(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".

In 2014, the Company published the following information on the websites of the Stock Exchange and the Company pursuant to the Listing Rules:

14/02/2014	Announcement in relation to the operating performance updates for the full year of 2013
21/02/2014	Announcement of list of directors and their role and function
21/02/2014	Poll results of the extraordinary general meeting held on 21 February 2014 and appointment of executive director
14/03/2014	Announcement relating to the date of board meeting to approve the 2013 annual results
26/03/2014	Announcement of annual results for the year ended 31 December 2013
15/04/2014	Annual report 2013
15/04/2014	Notice of the annual general meeting to be held on 27 June 2014, attendance slip and form of proxy
27/06/2014	Poll results of the annual general meeting held on 27 June 2014 and payment of final dividend
11/07/2014	Inside information announcement
21/07/2014	Announcement of appointment of executive vice president
14/08/2014	Announcement relating to the date of board meeting to approve the 2014 interim results
28/08/2014	Announcement of interim results for the six months ended 30 June 2014
15/09/2014	Interim report 2014
21/11/2014	Announcement of resignation of director, proposed appointment of director and proposed amendments to articles of association
01/12/2014	Notice of the extraordinary general meeting to be held on 19 January 2015, attendance slip and form of proxy

Other than announcements and circulars, the Company's website (<http://www.chinaccs.com.hk>) is also one of the important distribution channels for corporate information dissemination. The financial information, share information, annual reports and investor activities, which are important to the capital market and investors, are systematically disclosed in the "Investor Relations" section of the website of the Company. Investors are able to keep abreast of the Company's latest development through a timely and comprehensive way.



## INVESTOR RELATIONS

Annual report is not only an important document for information disclosure of a listed company, but also one of the important means to communicate the operation philosophy, strategies, current operation and development trends of the Company to the investor community in detail. Hence, the Company always attaches high importance to the preparation of annual reports. The details contained in annual reports allow investors to have more comprehensive understanding of the Company.

The effort of the Company put in the preparation of annual reports received recognition. In 2014, the 2013 annual report of the Company won the Gold award of the "Interior Design" and Silver award of the "Printing and Production" at the "2014 International ARC Awards". Our annual report was also ranked the 28th on "Worldwide Top 100" and the 14th on "Regional Top 80" (Asian Pacific) and once again received the Platinum Award in its industry by the League of American Communications Professionals (LACP).

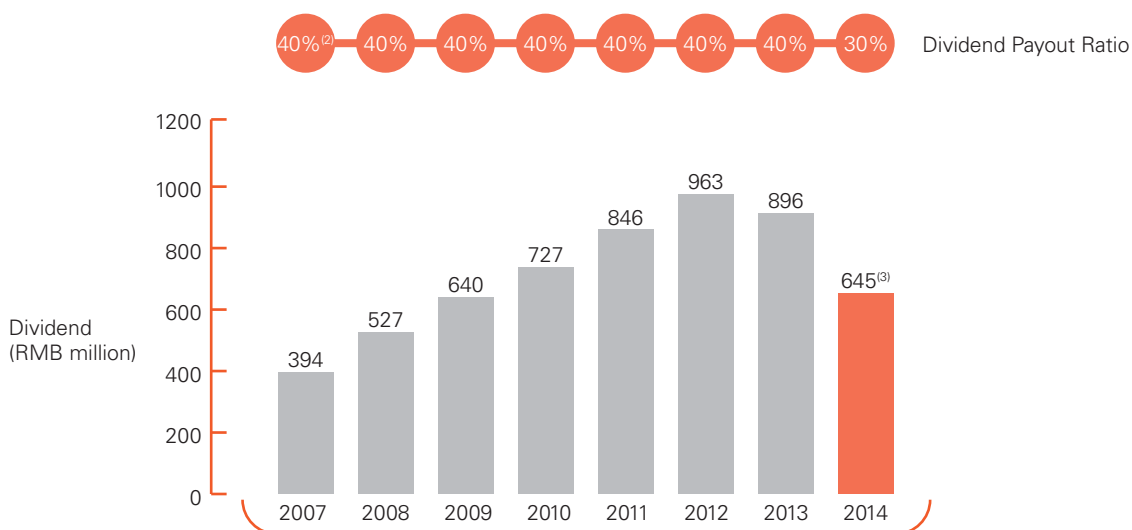


## DIVIDEND

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The Company attaches great importance to the dividend paid to shareholders, and determines its dividend with reference to the Company's operating performance, financial position, cash flow, long-term development needs and potential investment opportunities. The Company has adjusted the dividend payout ratio for the year of 2014 after in-depth discussion with shareholders and investors and having considered various factors including the cash flow position, funding requirement for long-term development, and the sustainability of relatively stable future dividend payout of the Company.

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



<sup>(2)</sup> The net profits contributed by the acquisitions in 13 provincial business prior to 31 August 2007 (being the completion date of the acquisitions) was excluded from the calculation of 2007 dividend payout ratio.

<sup>(3)</sup> Subject to the approval at the 2014 annual general meeting to be held on 26 June 2015.

## 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. Since its listing, the Company has grasped various favorable opportunities arising from the industry development, and achieved steady business growth through effective implementation of strategies and sound corporate governance. The Company proactively implements its investor relations program to strengthen the communication and interaction with the capital market. The price of the Company's H shares has been maintaining a favorable overall performance since its listing to 31 December 2014.

### Share Price Performance Since Listing

From 8 December 2006 to 31 December 2014

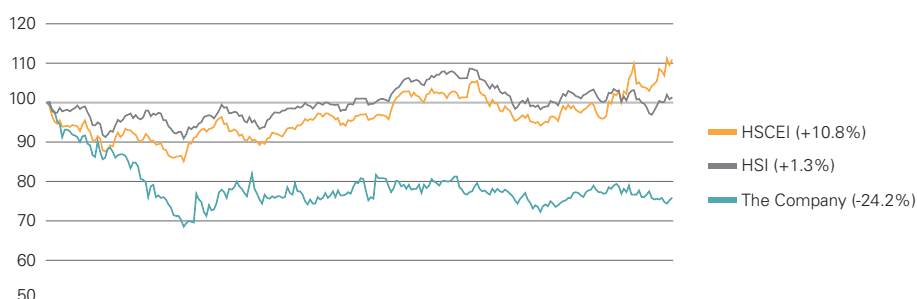


In 2014, the operation of the Company was collectively affected by the changes of the macro-economic conditions and the development environment of the industry. The operating results of the Company fell short of the expectation of the capital market. As such, the Company adopted a proactive investor relations strategy to timely communicate with the capital market of the challenges and prospects of the Company. The share price of the Company was relatively stable after the fluctuation at the beginning of 2014. The Company's share price recorded a decline of around 24% in 2014.

2014	Highest	Lowest	Closing
Price per H share of the Company (HK\$)	4.85	3.28	3.64

### Share Price Performance in 2014

From 1 January 2014 to 31 December 2014



As of 31 December 2014, the total number of shares for the Company was 6,926,018,400 shares, including 4,534,598,160 domestic shares and 2,391,420,240 H shares, both at par 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 shares of the Company. Based on the closing price as of 31 December 2014, the Company's market capitalization was about HK\$25.2 billion.

## INVESTOR RELATIONS

### MAJOR AWARDS AND RECOGNITIONS IN 2014



1. **“Corporate Governance Asia Recognition Award 2014 – The Best of Asia” by Corporate Governance Asia**
  - Icon on Corporate Governance
2. **“Asian Excellence Recognition Awards 2014” by Corporate Governance Asia**
  - Best Chief Financial Officer
  - Best Investor Relations
3. **“The Asset Corporate Awards 2014” by The Asset**
  - Gold Award – Financial Performance, Corporate Governance and Investor Relations
4. **“2014 China Securities Golden Bauhinia Awards” by Tai Kung Pao**
  - The Best Investment Value Listed Company
5. **“2014 International ARC Awards”**
  - Gold Award – “Interior Design”
  - Silver Award – “Printing and Production”
6. **“Vision Awards” by LACP**
  - Worldwide Top 100
  - Rank 28th
  - Regional Top 80 (Asia-Pacific)
  - Rank 14th
  - Platinum Award
7. **“2014 FORTUNE China 500” published by Fortune China**
  - Rank 82nd

### RECOGNITIONS AND HONORS IN THE CAPITAL MARKET

The Company is a constituent stock of “Hang Seng Corporate Sustainability Benchmark Index”. The Company is also the constituent stocks of Hang Seng Composite Index and Hang Seng Composite MidCap Index.

In 2014, there were more than 10 international research institutions covering and regularly publishing research reports on the Company. Since its listing, the Company’s investment value has been highly recognized by the capital market. As of 31 December 2014, most of the major research institutions maintained positive investment ratings such as “Buy” or “Hold” on the Company.

In 2014, the Company continued to be highly recognized by the capital market, and was awarded many major international awards or recognitions. The Company was awarded and recognized by various publications, including *Fortune China*, *Corporate Governance Asia* and *The Asset*, for its corporate governance, investor relations and investment value. The design and production of the annual report of last year were also honoured with various major awards. The awards won by the Company demonstrated that the Company is highly recognized by the capital market.

### 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, 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