

The Company attaches great importance to its investor relations work. For the last decade after its listing in 2006, the Company has been striving to strengthen and optimize its investor relations work by adhering to the principle of high transparency, accuracy, timeliness and effectiveness. The Company disseminates its core values and development philosophy to the market and built up a good corporate image. The Company also fulfills its responsibility for its shareholders to enhance investors' confidence.

The Company keeps improving the two-way communication mechanism with the capital market and maintains interactive communications with the shareholders and investors. The Company proactively responds to the major issues that the capital market concerns about and explained its strategies, development measures and related information, thereby enhancing the understanding of investors about the Company to help them to conduct more comprehensive analysis and have good knowledge of the investment value of the Company. In addition, the investor relations team of the Company closely monitors the feedback from the capital market and reports the opinions, advice and expectation of the capital market to the management in a timely manner. The messages from the capital market which are beneficial to the Company's development are integrated into the business operation and development of the Company for enterprise value enhancement.

INVESTOR RELATIONS ACTIVITIES

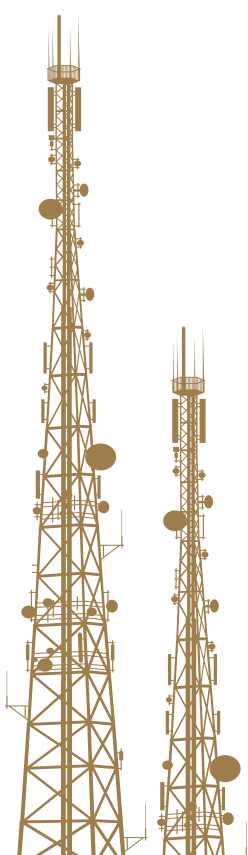
In 2016, the Company maintained comprehensive and effective communications with its investors through multiple channels including investor and press conferences, non-deal roadshows, reverse roadshow, investor forums organized by investment banks, one-on-one meetings, teleconferences and video conferences. During the year, the Company held meetings and effectively communicated with analysts and investors through the above channels about 400 person-times. In 2016, in view of the stock connect between Mainland China and Hong Kong stock markets in recent years, the Company enhanced its marketing to Mainland investors and actively participated in investor forums for Mainland investors. Moreover, in order to enhance the understanding of the capital market on the investment value and future outlook of the Company, a reverse roadshow was held in Nanjing and Hangzhou for analysts from more than ten securities firms. Analysts were able to communicate directly with the management team of the subsidiaries who are responsible for daily operation. The analysts visited and learned about the pioneering businesses and solutions of the Company in the informatization sector. The Company also arranged certain customers to meet with the analysts to enhance the understanding of the capital market on how the Company implemented its development strategies, as well as the market and operating environment of the local markets and the competitive edges of the Company through different perspectives.



The Company organized a reverse roadshow to showcase the Company's various innovative business in the informatization sector, and arranged direct communication between analysts and customers.

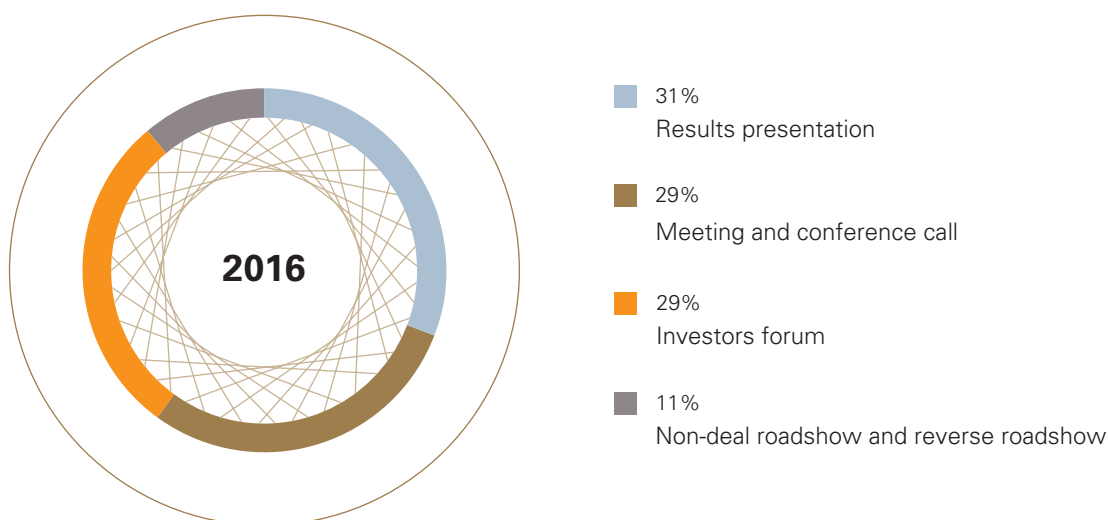


2016 Annual Results Presentation



Moreover, the Company also promptly disseminates important information such as operation and development updates and release of results of the Company to the capital market through various channels including press releases and investor relations website.

ATTENDANCE ANALYSIS OF INVESTOR RELATIONS ACTIVITIES IN 2016



List of Investor Relations Activities of the Company in 2016

| Date | Event | Venue |
|----------|---|--------------------|
| Jan 2016 | DB Access China Conference 2016 | Beijing |
| Mar 2016 | 2015 Annual Results Announcement – Analyst Briefing – Press Conference | Hong Kong |
| Apr 2016 | Non-deal Roadshow | Hong Kong |
| Apr 2016 | HKIRA Mainland Roadshow for Stock Connect Stocks | Shanghai |
| Apr 2016 | DBS Vickers Pulse of Asia Conference | Hong Kong |
| May 2016 | Macquarie Greater China Conference 2016 | Hong Kong |
| May 2016 | BNP Paribas 7th Asia Pacific TMT Conference | Hong Kong |
| May 2016 | Nomura China TMT Corporate Day 2016 | Hong Kong |
| Jun 2016 | UBS Pan-Asian Telco Conference 2016 | Hong Kong |
| Jun 2016 | Nomura Investment Forum Asia 2016 | Singapore |
| Aug 2016 | 2016 Interim Results Announcement – Analyst Briefing – Press Conference | Hong Kong |
| Aug 2016 | Non-deal Roadshow | Hong Kong |
| Oct 2016 | CITIC Securities China – Hong Kong Stock Connect Seminar | Shenzhen |
| Oct 2016 | Jefferies 6th Annual Greater China Summit | Hong Kong |
| Nov 2016 | Citi 11th China Investor Conference | Macau |
| Dec 2016 | Reverse Roadshow | Nanjing & Hangzhou |

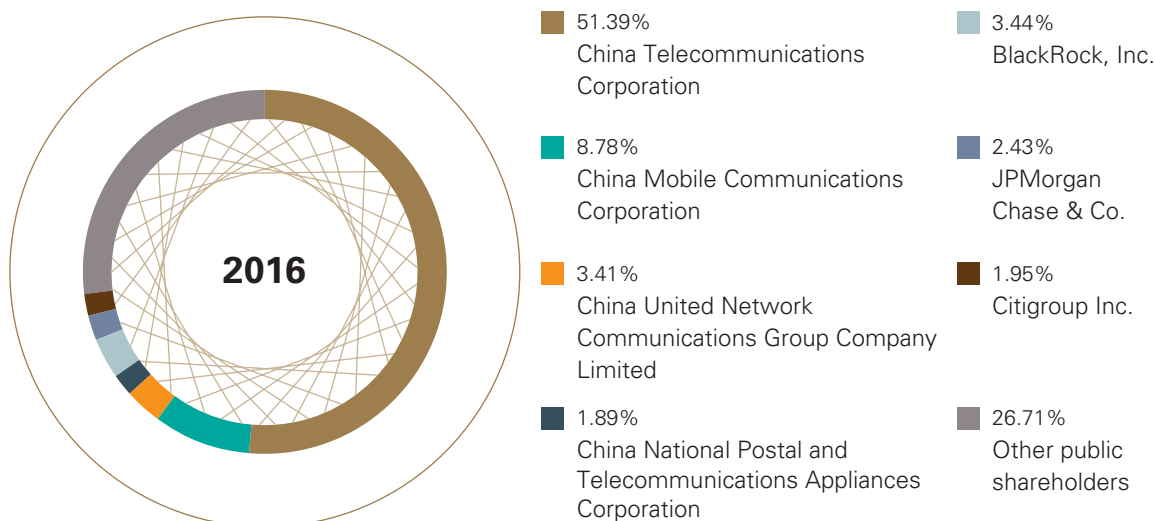
SHAREHOLDING STRUCTURE

In 2016, the Company continued to appoint an international survey company to conduct two comprehensive surveys on the shareholding structure to keep abreast of the information on shareholders, including structure and position changes of shareholders, background, geographical distribution and investment styles. The survey facilitated more active and targeted interactive communications between the Company and its shareholders and investors, thereby enhancing the efficiency of investor relations initiatives and reinforcing the impact of effective communications.

The Company’s shares have been admitted in the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Programmes which are open for trading by investors from Mainland China. According to the information from the Central Clearing and Settlement System operated by the Hong Kong Securities Clearing Company Limited, as at 31 December 2016, 1.16% of the issued H share capital of the Company was held by the investors from Mainland China through China Securities Depository and Clearing Corporation Limited.

To facilitate the interaction and communications with investors from Mainland China, the Investor Relations Department of the Company participated in stock connect conferences organized by Mainland securities companies in Shanghai and Shenzhen during the year. The Company proactively maintained close contact with Mainland investors to enhance mutual understanding and boost investors’ confidence.

SHAREHOLDING STRUCTURE AS OF 31 DECEMBER 2016 ¹



INFORMATION DISCLOSURE

Information disclosure is the responsibility and obligation that must be discharged by a listed company in accordance with the regulatory requirements for the protection of investors’ interest. The Company has strictly complied with the information disclosure requirements for listed companies and made information disclosure with consistent adherence to the principle of accuracy, timeliness, openness and justice in order to improve the transparency of the Company in respect of information disclosure.

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 2016, in accordance with the Listing Rules, the Company published a total of ten corporate communications such as announcements and circulars on the websites of the Stock Exchange and the Company. Such publications have objectively and comprehensively disclosed information regarding the Company's results, operating performance, financial information, dividend payment and poll results of general meetings, details of which are as follows.

| | |
|------------|--|
| 29/01/2016 | Audit Committee Charter |
| 17/03/2016 | Announcement relating to the date of board meeting to approve the 2015 annual results |
| 31/03/2016 | Announcement of annual results for the year ended 31 December 2015 |
| 22/04/2016 | 2015 annual report |
| 22/04/2016 | Notice of annual general meeting to be held on 24 June 2016, form of proxy and attendance slip |
| 24/06/2016 | Announcement of poll results of the annual general meeting held on 24 June 2016, payment of dividend, appointment and resignation of directors |
| 24/06/2016 | Announcement of list of directors and their role and function |
| 09/08/2016 | Announcement relating to the date of board meeting to approve the 2016 interim results |
| 25/08/2016 | Announcement of interim results for the six months ended 30 June 2016 |
| 09/09/2016 | 2016 interim report |

Other than announcements and circulars, the Company's website (<http://www.chinaccs.com.hk>) is also one of the important channels for corporate information disclosure and provides a more convenient and efficient platform for investors and shareholders to gain access to the detailed information. The financial information, stock information, annual reports and investor activities of the Company as well as hot topics concerned by investors are systematically disclosed in the "Investor Relations" section of the website. The Company also updates the content of the website in a timely manner to keep the capital market abreast of the Company's latest development.

In response to the technological and internet advancement, enrich the information disclosure and improve its transparency and corporate image, the Company comprehensively revised and upgraded its website in 2016. Investors and shareholders are provided with a more convenient and efficient platform for information exchange and disclosure. With more innovative design and comprehensive content, the new website received a gold award and a silver award in the "2016 Galaxy Awards" and a bronze award in the "2016 iNova Awards" granted by an international website award organization.



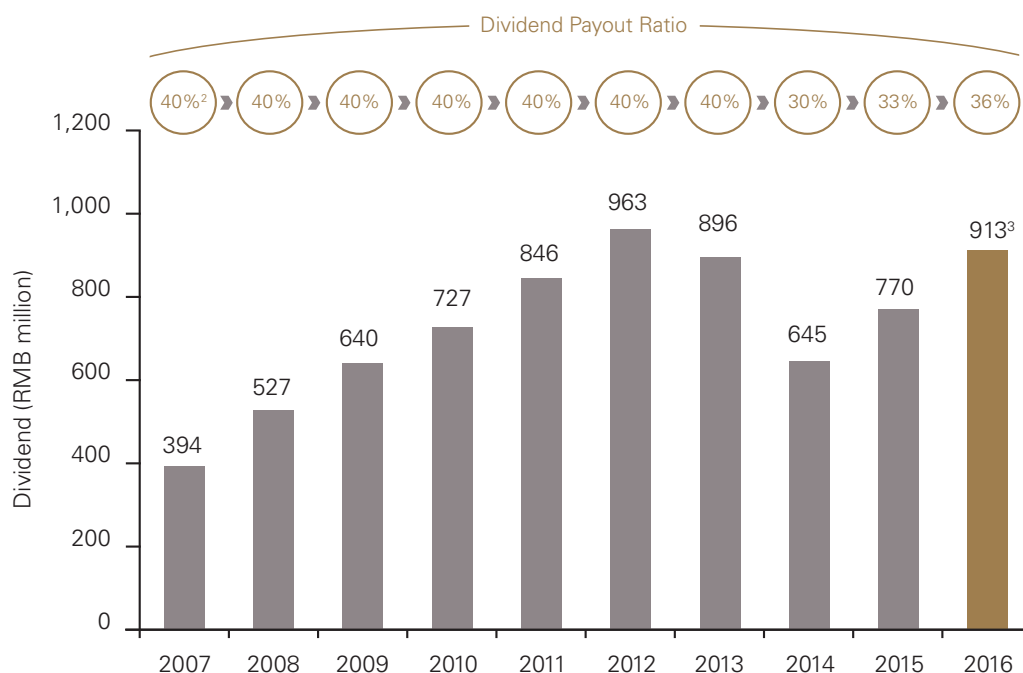
Annual report is not only an important document for information disclosure of a listed company, but also one of the important means to disclose comprehensively the operating philosophy, strategies, current operating performance and development trends of the Company to the investors. The Company therefore put great emphasis on the preparation of annual reports. Through the detailed disclosures in the annual report, investors are able to have more adequate and comprehensive understanding of the Company.

In 2016, the preparation and design of the 2015 annual report of the Company were again recognized by international award organizations and received a gold award from the “League of American Communications Professionals” (LACP) and a silver award from the “2016 International ARC Awards”.

DIVIDEND

The Company always values the interests of and returns to shareholders since its listing. Dividend payment for the year are determined with reference to factors such as the Company’s results performance, financial position, cash flow, long-term development needs and investment opportunities in the current year. In 2016, the Group achieved satisfactory operating results and free cash flow for the year. In view of the Company’s confidence in operating performance and future development, the Board has proposed to distribute a final dividend of RMB0.1098 per share (equivalent to a payout ratio of 30%), and a special dividend of RMB0.0220 per share. Total dividend for 2016 is RMB0.1318 per share (equivalent to a payout ratio of 36%).

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



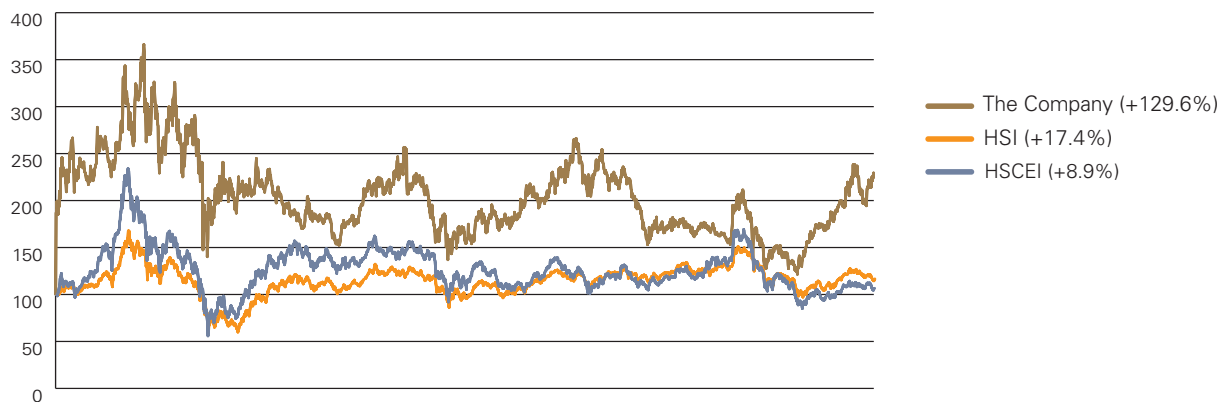
SHARE PRICE PERFORMANCE

The H shares issued by the Company were listed on the Stock Exchange on 8 December 2006 at an offer price of HK\$2.2 per share. Over the last decade, the Company has captured market opportunities and achieved sustainable and steady development through effective implementation of development strategies and sound corporate governance. Meanwhile, the Company proactively implements practical and effective investor relations program. The price of the Company’s H shares has been maintaining a favourable overall performance since its listing.

² The 2007 dividend payout ratio is calculated after deducting the net profit contributed by the business in 13 provinces before 31 August 2007 (being the completion date of the acquisitions) when such business was acquired by the Company.
³ Subject to the approval at the 2016 annual general meeting to be held on 23 June 2017.

Share Price Performance Since Listing

From 8 December 2006 to 31 December 2016

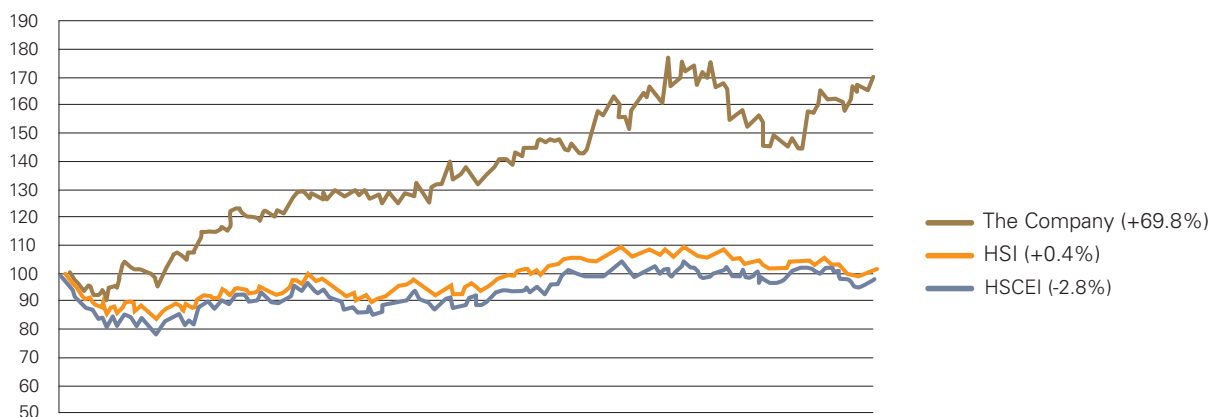


In 2016, against the backdrop of several important incidents such as Brexit and the United States presidential election, the overall economic growth of China slowed down, and the Hong Kong stock market experienced fluctuation throughout the year. During the year, the Company recorded remarkable operating results and the capital market was satisfied with the Company's performance. Moreover, the Company implemented proactive investor relations strategy and organized a reverse roadshow for the capital market at the end of the year, thereby effectively provided the capital market with updates on its business growth and development direction, and largely enhanced the confidence of investors in the Company by enabling investors to have an in-depth understanding of its future development value and core operating philosophy. In 2016, the stock price of the Company outperformed the Hang Seng Index and showed a steadily growing trend and recorded an increase of 69.8% during the year. The robust stock price uptrend reflected the good investment value of the Company and was deemed as a recognition of the effectiveness of its investor relations works.

| 2016 | Highest | Lowest | Closing |
|---|---------|--------|---------|
| Price per H share of the Company (HK\$) | 5.13 | 2.59 | 4.94 |

Share Price Performance in 2016

From 1 January 2016 to 31 December 2016



As at 31 December 2016, the total number of shares of the Company was 6,926,018,400 shares, including 4,534,598,160 domestic shares and 2,391,420,240 H shares, both at nominal 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 number of shares of the Company. Based on the closing price as of 31 December 2016, the Company's total market capitalization was about HK\$34.2 billion.

MAJOR AWARDS AND RECOGNITIONS IN 2016



1. **“Corporate Governance Asia Recognition Awards 2016 – The Best of Asia” by Corporate Governance Asia**
 - Icon on Corporate Governance
 - Asian Corporate Director
2. **“Asian Excellence Recognition Awards 2016” by Corporate Governance Asia**
 - Best CEO
 - Best CFO
 - Best Investor Relations
3. **“The Asset Corporate Awards 2016” by The Asset**
 - Excellence in Governance, CSR & Investor Relations Benchmarking – Platinum Award
4. **“2016 China Securities Golden Bauhinia Awards” by Ta Kung Wen Wei**
 - The Best Investment Value Listed Company in the 13th Five-year Plan
5. **“2016 Golden Hong Kong Equities Awards” by Zhitong Finance**
 - The Best Investor Relations Management Award
6. **“2016 Galaxy Awards”**
 - “Investor Relations – Revamped Website” Gold Award
 - “Telecommunications – Corporate Website” Silver Award
7. **“2016 iNova Awards”**
 - “Website Redesign/Relaunch – Investor Relations” Bronze Award
8. **“Vision Awards” by LACP**
 - Gold Award
 - Regional Top 80 (Asia-Pacific) – rank 13th
9. **“2016 International ARC Awards”**
 - “Cover Photo/Design” Silver Award
10. **“2016 Fortune China 500” by FORTUNE China**
 - Rank 71st

RECOGNITIONS AND HONOURS IN THE CAPITAL MARKET

The Company has always been well recognized by the capital market. It was admitted in the “Hang Seng Composite Index”, “Hang Seng Composite MidCap Index”, “Hang Seng Corporate Sustainability Benchmark Index”, “Hang Seng High Dividend Yield Index”, “Hang Seng Internet & Information Technology Index”, Hang Seng Information Technology Index”, “Hang Seng IT Hardware Index” and “Hang Seng Stock Connect Hong Kong Index”.

In 2016, more than 10 international investment banks and institutions prepared and published research reports for the Company on a regular basis. Since its listing, the Company’s investment value has been recognized by the capital market. As of 31 December 2016, major research institutions maintained positive investment ratings such as “Buy” or “Hold” on the Company.

The Company has been dedicated to improving its management and operation in all aspects. In 2016, the Company was recognized by many domestic and overseas organizations and institutions. *Corporate Governance Asia*, an authoritative journal on corporate governance in Asia, issued the honour of “Best CEO” and “Asian Corporate Director” to Mr. Sun Kangmin, the Chairman and an Executive Director of the Company, and the honour of “Best CFO” to Ms. Hou Rui, the Chief Financial Officer of the Company, for three consecutive years, which reflected the high recognition from the capital market on the Company’s corporate governance. Moreover, various authoritative institutions, such as *Corporate Governance Asia* and *The Asset* also offered recognitions and awards to the Company in respect of its corporate governance and investor relations. Moreover, the Company received various awards from international assessment institutions in respect of the Company’s website and annual report. Such awards and honours from domestic and overseas institutions represented the Company’s excellent ability and value.

OTHER 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