



INVESTOR RELATIONS

The Company attaches great importance to maintaining close and effective communication with the capital market, and builds sound relationship with investors through proactive interaction of various means. In 2018, the Company further strengthened its investor relations' initiatives under the principle of high transparency, accuracy, timeliness, fair and effectiveness.

The Company keeps improving the two-way communication channels with the capital market in order to maintain favourable and long-term interaction with its shareholders and investors. On the one hand, the Company endeavours to provide convenient communication channels for capital market, while proactively responding to the major issues that it concerns and explaining our strategies, development measures, transformation results and related information, thereby facilitating investors to conduct a more comprehensive analysis and have better knowledge of the investment value of the Company. On the other hand, the investor relations team of the Company closely monitors the feedbacks from the capital market and reports the opinions, suggestions and expectation to the management in a timely manner. Such action is beneficial to the operation, management and development planning of the Company, and makes great contributions to promote sustainable development and enhance corporate value of the Company.

INVESTOR RELATIONS ACTIVITIES

In 2018, the Company maintained direct and close communications with its investors through diverse channels including investor and press conferences, non-deal roadshows, investor forums organized by investment banks, one-on-one meetings, teleconferences and video conferences to achieve effective interactions with investors. During the year, the Company held meetings and communicated with analysts and investors through the above channels over 470 person-times.

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

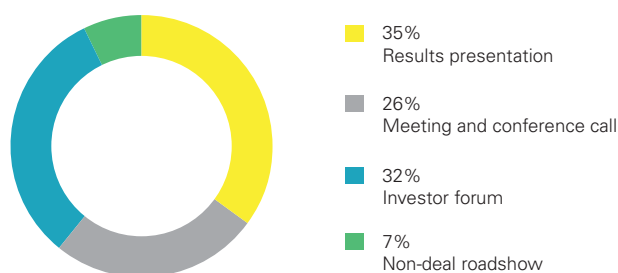


2018 Annual Results Presentation





ATTENDANCE ANALYSIS OF INVESTOR RELATIONS ACTIVITIES IN 2018



List of Investor Relations Activities of the Company in 2018

Date	Event	Venue
Jan 2018	DB Access China Conference 2018	Beijing
Mar 2018	2017 Annual Results Announcement – Analyst Briefing – Press Conference	Hong Kong
Mar 2018	Non-deal Roadshow	Hong Kong
May 2018	J.P. Morgan Global China Summit 2018	Beijing
May 2018	Macquarie Greater China Conference 2018	Hong Kong
May 2018	HSBC 5th Annual China Conference	Shenzhen
May 2018	Goldman Sachs TechNet Conference – Asia Pacific 2018	Hong Kong
May-Jun 2018	Morgan Stanley Fourth Annual China Summit	Beijing
Jun 2018	Nomura Investment Forum Asia 2018	Singapore
Jun 2018	UBS Asia TMT Conference 2018	Hong Kong
Aug 2018	2018 Interim Results Announcement – Analyst Briefing – Press Conference	Hong Kong
Aug 2018	Non-deal Roadshow	Hong Kong
Sep 2018	Nomura China Investor Forum 2018	Shanghai
Nov 2018	Goldman Sachs China Conference 2018	Shenzhen
Nov 2018	Jefferies 8th Annual Greater China Conference	Hong Kong
Nov 2018	J.P. Morgan 6th Global TMT Conference	Hong Kong
Nov 2018	Citi 13th China Investor Conference	Macau
Nov 2018	CGS-CIMB HK/China Smartphone & 5G Corporate Day	Hong Kong



SHAREHOLDING STRUCTURE

In 2018, 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 its shareholders, including structure and position changes of shareholders, shareholder type, geographical distribution and investment styles. When organizing its roadshows, the Company would develop a targeted visiting list of shareholders and potential investors by referencing on the above information. Such practice facilitated a more proactive and targeted interactive communications between the Company and investors, thereby significantly enhancing the efficiency and effectiveness of investor relations initiatives.

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 2018, 2.21% 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.

SHAREHOLDING STRUCTURE AS OF 31 DECEMBER 2018¹



INFORMATION DISCLOSURE

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 fairness. We consider information disclosure as the responsibility and obligation that must be discharged for the protection of investors’ interest, dedicate to improving the transparency of the Company in respect of information disclosure and facilitating the capital market to gain a better understanding of the Company.

In 2018, in accordance with the Listing Rules, the Company published approximately 29 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, inclusion in the list of state-owned enterprise reform, connected transactions and poll results for the appointment of director(s) and general meetings, details of which are as follows:

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”.

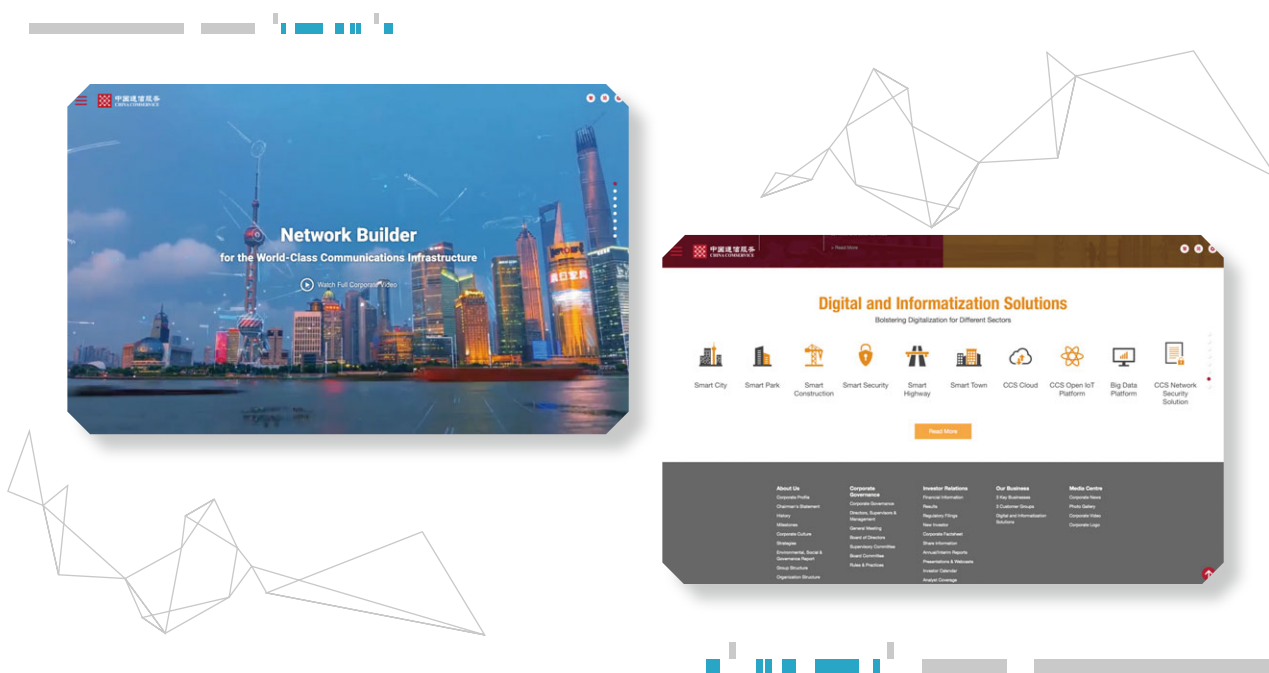


23/01/2018	Articles of association
29/01/2018	Announcement of resignation of chairman, proposed appointment of director and proposed amendments to articles of association
30/01/2018	Notice of extraordinary general meeting to be held on 16 March 2018, form of proxy and attendance slip
16/03/2018	Announcement of poll results of the extraordinary general meeting held on 16 March 2018 and appointment of executive director
16/03/2018	Announcement of appointment of chairman and authorized representative
16/03/2018	Announcement of the list of directors and their role and function
16/03/2018	Announcement relating to the date of board meeting to approve the 2017 annual results
27/03/2018	Announcement of annual results for the year ended 31 December 2017
20/04/2018	Articles of association
24/04/2018	2017 annual report
24/04/2018	Notice of annual general meeting to be held on 29 June 2018, form of proxy and attendance slip
20/06/2018	Voluntary announcement in relation to the audit of national audit office
22/06/2018	Announcement relating to connected transaction – establishment of finance company
28/06/2018	Announcement of the postponed election of the new session of the board and the supervisory committee
29/06/2018	Announcement of poll results of the 2017 annual general meeting held on 29 June 2018 and payment of dividend
17/08/2018	Announcement relating to the date of board meeting to approve the 2018 interim results
17/08/2018	Announcement relating to inclusion in the list of “double-hundred enterprises” for state-owned enterprise reform
30/08/2018	Announcement of interim results for the six months ended 30 June 2018
14/09/2018	2018 interim report
28/09/2018	Announcement relating to the renewal of continuing connected transactions and proposed new annual caps
22/10/2018	Announcement of the delay in despatch of circular
26/10/2018	Announcement of the further delay in despatch of circular
29/10/2018	Notice of extraordinary general meeting to be held on 13 Dec 2018, form of proxy and attendance slip
14/11/2018	Announcement of resignation of director, proposed appointment of director and change of important executive positions
19/11/2018	Announcement of proposed election and re-election of directors and supervisors
19/11/2018	Circular relating to renewal of continuing connected transactions and proposed new annual caps; proposed election and re-election of directors and supervisors; and supplemental notice of the extraordinary general meeting
19/11/2018	Supplemental notice and supplemental form of notice for the extraordinary general meeting to be held on 13 December 2018
13/12/2018	Announcement of poll results of the extraordinary general meeting held on 13 December 2018 and changes in directors and supervisors
13/12/2018	Announcement of the list of directors and their role and function

Other than announcements and circulars, the Company’s website (www.chinaccs.com.hk) is also one of the important channels for corporate information disclosure and provides capital market, media, shareholders and potential investors with a more convenient and efficient access to the detailed information. The financial information, stock information, investment value, business 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.



To enhance the corporate promotion in the area of informatization and digitalization and to better cater for the change of users' habit which is more common to browse our corporate website through various mobile terminals including tablets and handsets, the Company carried out an upgrade and redesign for the layout and content of the website in 2018, and added "Digital and Informatization Solutions" page to introduce various smart services that the Company offers for different industries. In addition, the Company has adopted a "responsive web design" function that allows automatic adjustment of webpage layout on different terminals and enhances readers' experience.



Annual report is not only an important document for information disclosure of a listed company in accordance with the regulatory requirement, the Company can also disclose more comprehensive information to investors through the annual report, such as its operating philosophy, strategies, current operating performance, development trends, corporate governance and social responsibility. The Company therefore puts great emphasis on the preparation of annual report. Through the detailed disclosures in the annual report, investors are able to have more adequate and comprehensive understanding of the Company.

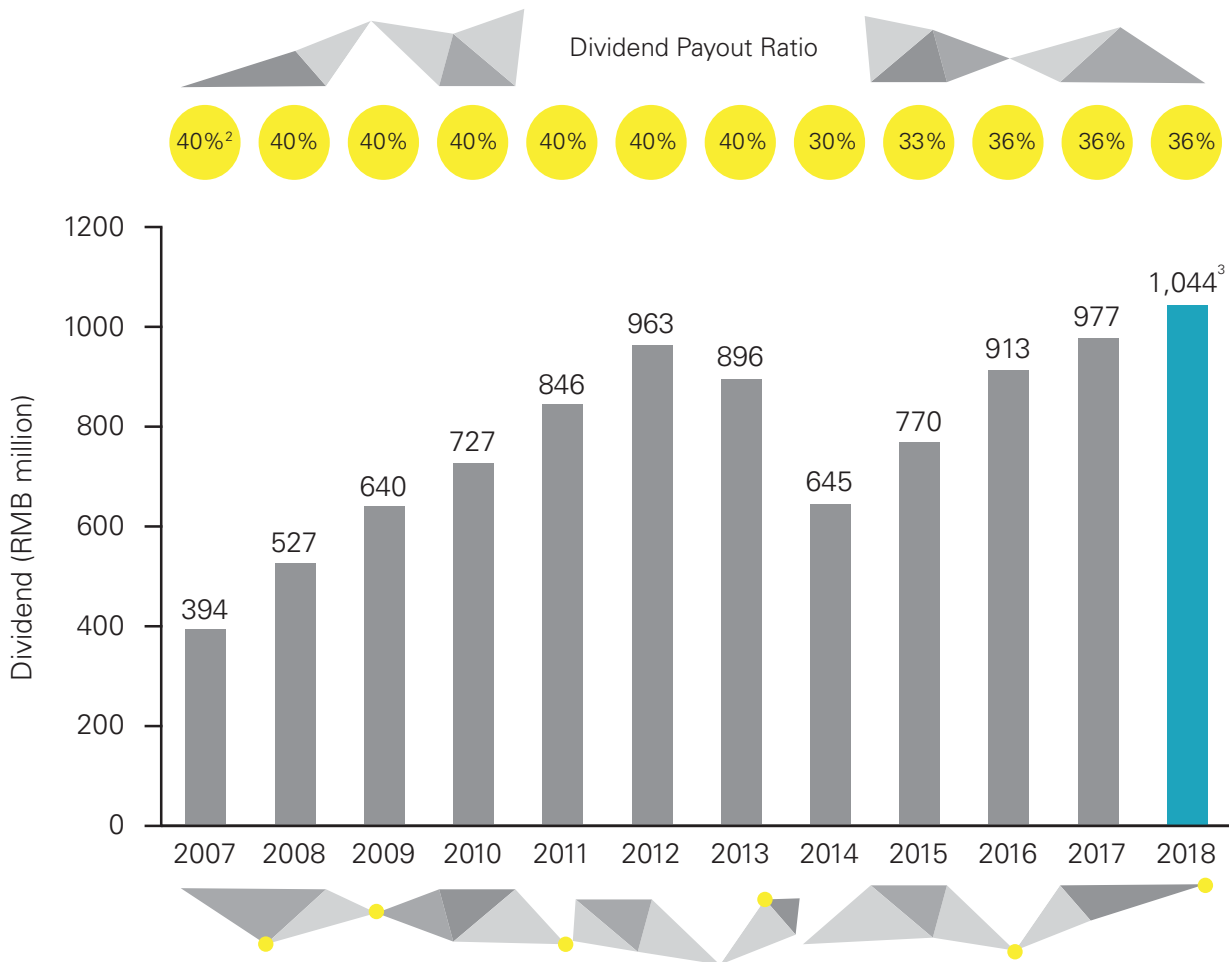
In 2018, the preparation and design of the 2017 annual report of the Company were again recognized by international award organizations and received Platinum Award and ranked 35 in the Top 100 Annual Reports Worldwide of the "Vision Awards" in "The League of American Communications Professionals" (LACP) and 2 Gold Awards in both "Cover Photo & Design" and "Traditional Annual Report" in "International ARC Awards".



DIVIDEND

The Company always values the interests and returns to shareholders since its listing, and distributes relatively stable and sustainable dividend to shareholders. The Company determines the dividend payment for the year with reference to factors such as the Company’s results performance, financial position, cash flow, long-term development and business needs and other investment opportunities in the year. In 2018, 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 RMB0.1257 per share (equivalent to a payout ratio of 30%) and a special dividend of RMB0.0251 per share. Total dividend for 2018 is RMB0.1508 per share (equivalent to a payout ratio of 36%).

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



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 2018 annual general meeting to be held on 21 June 2019.

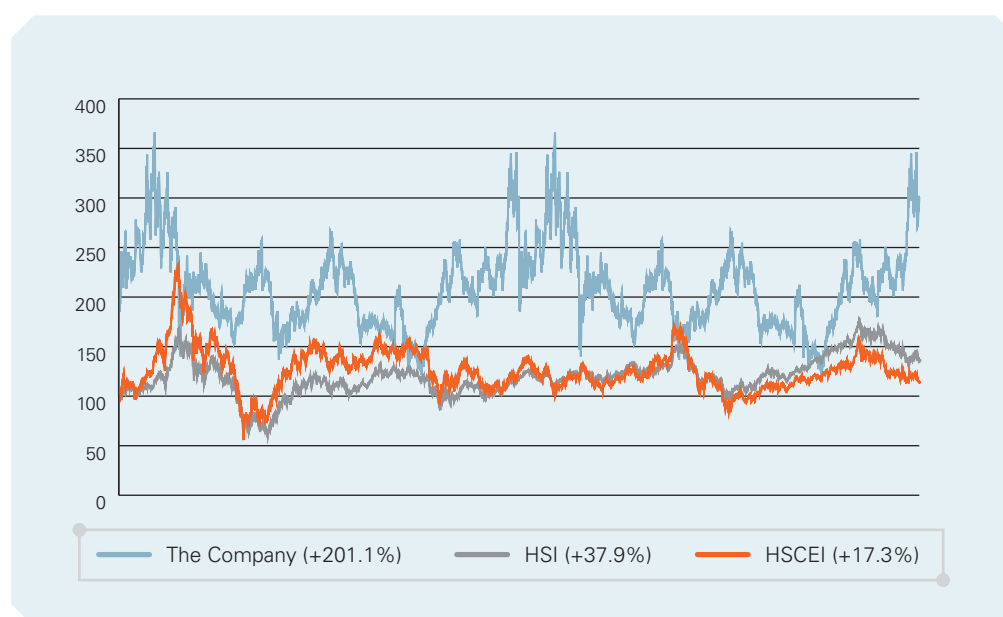


SHARE PRICE PERFORMANCE

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. Since its listing, the Company has captured market opportunities and adapted to the industry development trend, and thereby achieved sustainable and steady development through effective implementation of development strategies, transformation and innovation, as well as adhering to the principle of sound corporate governance. Besides, the practical and effective investor relations initiatives implemented by the Company also facilitates its share price performance. The price of the Company's H shares has been maintaining a favourable overall performance since its listing.

Share Price Performance Since Listing

From 8 December 2006 to 31 December 2018



Global stock market experienced great volatility in 2018 because of macro factors such as the impact from US-China trade war and Brexit. Though stock price of the Company was relatively weak at the beginning of the year, it still outperformed the market for the full year of 2018. With a growing concern on US-China trade war, Hong Kong stock market gradually stepped down during the year, while investors became more risk-averse and started to focus on companies with steady growth and solid fundamentals. After the announcement of the 2017 annual results of the Company in March, which was in line with market expectation and the significant increase in the cash

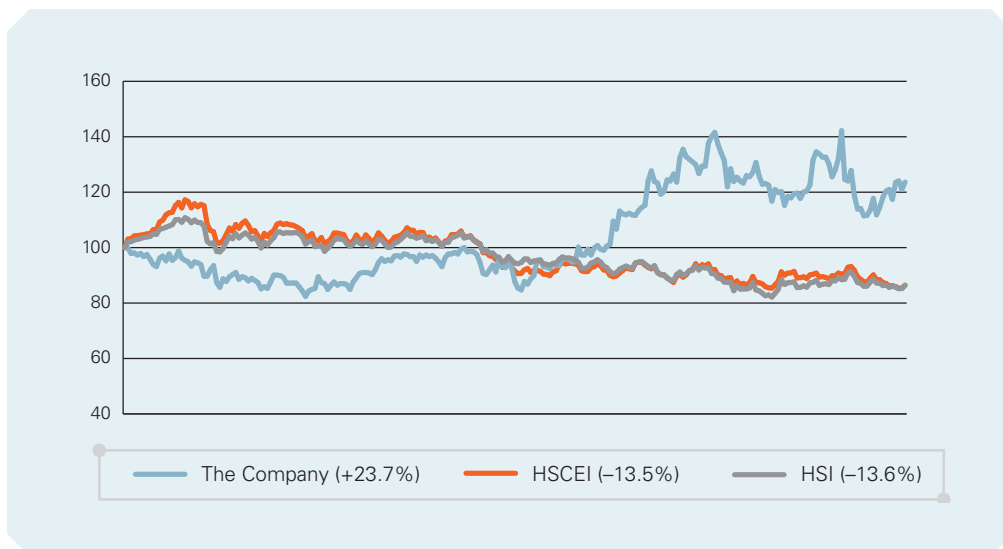


flow outperformed the market forecast, stock price of the Company rose gradually. In mid-August, the Company announced that it was included in the list of “Double-Hundred Action” for state-owned enterprise reform and investors expected that such reform could facilitate a better future development, stock price of the Company maintained an upward trend. Together with the favourable 2018 interim results that surpassed market expectation, stock price continued to surge after results announcement and the closing price even further hit the 10-year high in October. Approaching the end of year, the capital market entered into a downward trend while at the same time it also had high expectation on companies that are in relation to the 5G development in China, stock price of the Company experienced fluctuation but still outperformed the overall stock market for the year. As at 31 December 2018, stock price of the Company increased by 23.7% year-on-year.

2018	Highest	Lowest	Closing
Price per H share of the Company (HK\$)	7.60	4.25	6.48

Share Price Performance in 2018

From 1 January 2018 to 31 December 2018



As at 31 December 2018, 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 2018, the Company’s total market capitalization was about HK\$44.9 billion.



MAJOR AWARDS AND RECOGNITIONS IN 2018

1. **"14th Corporate Governance Asia Recognition Awards" by Corporate Governance Asia**
 - The Best of Asia – Icon on Corporate Governance
 - Asian Corporate Director
2. **"8th Asian Excellence Recognition Awards" by Corporate Governance Asia**
 - Best CEO
 - Best CFO
 - Best Investor Relations
3. **"The Asset Corporate Awards 2018" by The Asset**
 - Platinum Award – Excellence in Environmental, Social and Corporate Governance
 - Best Investor Relations Team
4. **"Asia's Best Managed Companies Poll 2018" by FinanceAsia**
 - Rank 6th in "Best Managed Company"
 - Rank 4th in "Most Committed to Corporate Governance"
 - Rank 5th in "Best at Investor Relations"
 - Rank 5th in "Best at Corporate Social Responsibility"
5. **"Golden Hong Kong Equities Awards" by Zhitong Finance and Tonghuashun Finance**
 - Golden Hong Kong Equities Grand Award
 - Best Value TMT Company
6. **"Vision Awards" by LACP**
 - Platinum Award
 - Rank 35th in the Top 100 Annual Reports Worldwide
7. **"International ARC Awards"**
 - Gold Award in "Cover Photo & Design"
 - Gold Award in "Traditional Annual Report"
8. **"2018 FORTUNE China 500" by FORTUNE China**
 - Rank 81st
9. **"China's Top 100 Software Enterprises 2018" coordinated by China Information Technology Industry Federation**
 - Rank 6th
10. **"Voting for the Leading Enterprises for Information Technology Industry in 2019" hosted by China Information Technology Industry Federation**
 - Leading Enterprises



RECOGNITIONS AND HONOURS IN THE CAPITAL MARKET

The Company has always been well recognized by the capital market. It was admitted in certain indices in Hong Kong, including the “Hang Seng Composite Index”, “Hang Seng Composite MidCap 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 2018, 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 2018, 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 2018, the Company was recognized by many domestic and overseas organizations and institutions. *Corporate Governance Asia*, *Finance Asia* and *The Asset* also offered recognitions and awards to the Company in respect of its corporate governance and investor relations. At “Golden Hong Kong Equities Awards” that co-organized by the PRC leading information service platform for Hong Kong equities – *Zhitong Finance* and leading financial data service provider *Tonghuashun Finance*, the Company was granted “Golden Hong Kong Equities Grand Award” and “Best Value TMT Company”. Furthermore, the Company received various awards from international assessment institutions in respect of the Company’s annual report.

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