



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 2019, the Company further strengthened its investor relations' initiatives under the principle of high transparency, accuracy, timeliness, fairness 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 one hand, the Company endeavours to provide diversified communication channels for capital market, while proactively responding to the major issues that it concerns and explaining our strategies, development measures, transformation progress, latest industry development 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 feedback from the capital market and reports the opinions, suggestions and expectation to the management in a timely manner. Such action is beneficial to the formulation of operation, management and development strategies of the Company, and makes great contributions to promote sustainable development and enhance corporate value of the Company.

INVESTOR RELATIONS ACTIVITIES

In 2019, 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 660 person-times, which increased by over 40% year-on-year. The Company proactively conducted good communications with analysts to enhance their understandings on the current and future development direction of the Company which also raised the awareness of the Company among investors. As of the date of this report, nine more investment banks in the capital market initiated coverage or resumed coverage of the Company with the issuance of research reports as compared with the end of 2018. All such analysts from the investment banks rated the Company positively with "Buy", "Overweight" and "Hold" ratings. At the same time, through the new coverage and research by mainland brokers, the Company also proactively participated in investor forums held by mainland brokers to connect with more mainland investors. The increased coverage by the capital market on the Company and our more proactive communications with the market effectively facilitated our stock trading that daily average trading volume in 2019 exceeded 13.5 million shares, increased by 57% year-on-year.

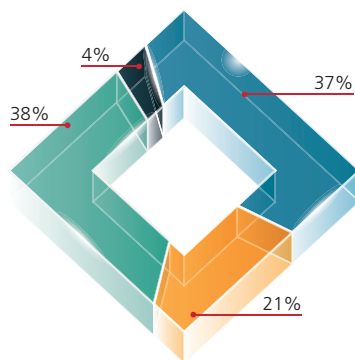
Moreover, the Company also promptly disseminates important information such as operation, development updates and release of results of the Company to the capital market through various channels including announcements, circulars, press releases and investor relations website, etc.



2019 Interim Results Presentation

INVESTOR RELATIONS

ATTENDANCE ANALYSIS OF INVESTOR RELATIONS ACTIVITIES IN 2019



● Results presentation ● Meeting and conference call ● Investor forum ● Non-deal roadshow

List of Investor Relations Activities of the Company in 2019

Date	Event	Venue
1/2019	UBS Greater China Conference 2019	Shanghai
1/2019	Crosby Peacock Series Corporate Day	Hong Kong
3/2019	2018 Annual Results Announcement — Analyst Briefing — Press Conference	Hong Kong
3/2019	Non-deal Roadshow	Hong Kong
4/2019	Nomura Greater China TMT Corporate Day 2019	Hong Kong
5/2019	The 15th BOCI Investors Conference	Beijing
5/2019	J.P. Morgan Global China Summit 2019	Beijing
5/2019	HSBC 6th Annual China Conference	Shenzhen
5/2019	Macquarie Greater China Conference 2019	Hong Kong
5/2019	Goldman Sachs TechNet Conference — Asia Pacific 2019	Hong Kong
5/2019	Morgan Stanley Fifth Annual China Summit	Beijing
6/2019	UBS Asia TMI Conference 2019	Hong Kong
7/2019	Haitong TMT Corporate Day	Hong Kong
8/2019	2019 Interim Results Announcement — Analyst Briefing — Press Conference	Hong Kong
8/2019	Non-deal Roadshow	Hong Kong
11/2019	Goldman Sachs China Conference 2019	Shenzhen
11/2019	Citi 14th China Investor Conference	Macau
11/2019	Morgan Stanley Eighteenth Annual Asia Pacific Summit	Singapore
12/2019	Nomura Corporate Day	Hong Kong
12/2019	Everbright Securities 2020 Annual Conference	Shanghai



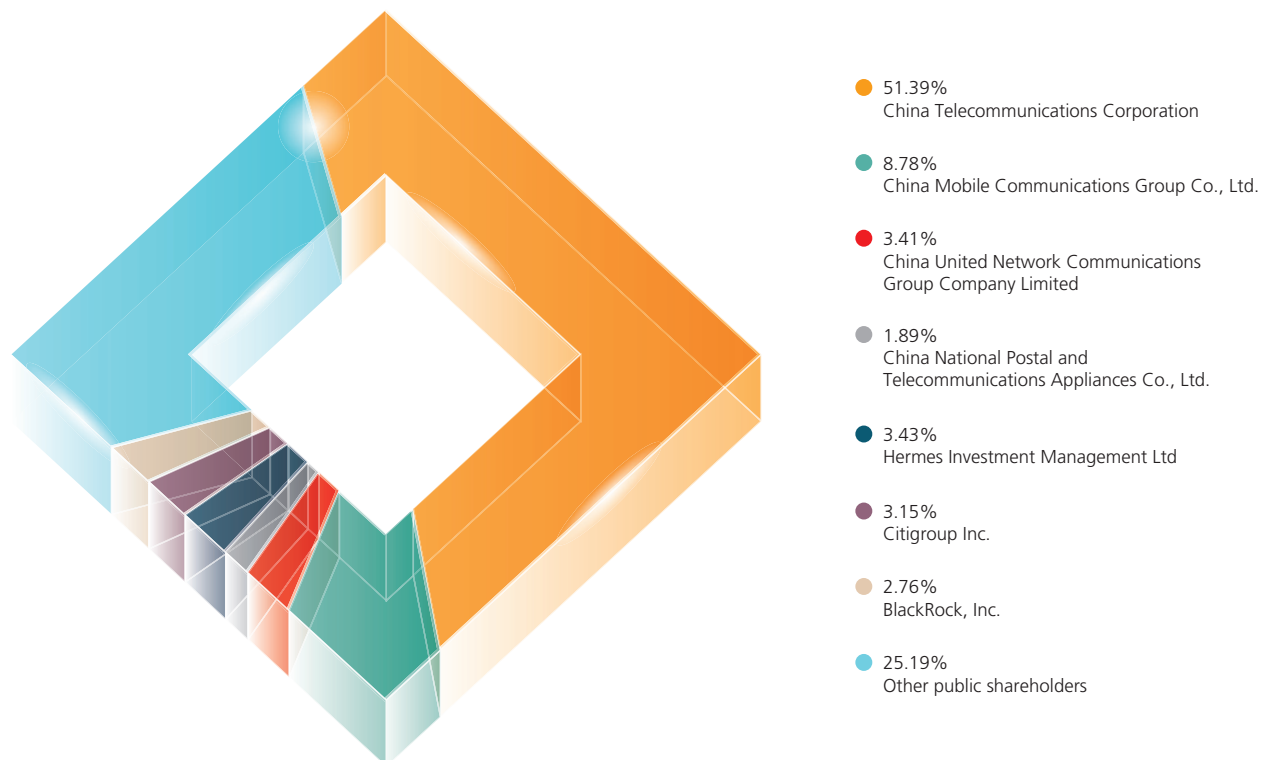
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SHAREHOLDING STRUCTURE

In 2019, 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 2019, 3.25% 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 STRUCTURE¹ AT OF 31 DECEMBER 2019



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".



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INFORMATION DISCLOSURE

The Company has strictly complied with the information disclosure requirements for listed companies and has considered information disclosure as the responsibility and obligation that must be discharged for the protection of investors' interest. We have made information disclosure with consistent adherence to the principle of accuracy, timeliness, openness and fairness and 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 2019, in accordance with the Listing Rules, the Company published approximately 15 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, connected transactions, poll results for general meetings and change of principal place of business in Hong Kong, details of which are as follows:

1/02/2019	Audit committee charter
1/02/2019	Announcement relating to continuing connected transactions and discloseable transactions under the financial services framework agreement
27/02/2019	Circular relating to the continuing connected transactions under the financial services framework agreement and notice of the EGM
27/02/2019	Notice of extraordinary general meeting to be held on 18 April 2019, form of proxy and attendance slip
12/03/2019	Announcement relating to the date of board meeting to approve the 2018 annual results
28/03/2019	Announcement of annual results for the year ended 31 December 2018
18/04/2019	Announcement of poll results of the extraordinary general meeting held on 18 April 2019
24/04/2019	2018 annual report
24/04/2019	Notice of annual general meeting to be held on 21 June 2019, form of proxy and attendance slip
21/06/2019	Announcement of poll results of the 2019 annual general meeting held on 21 June 2019 and payment of dividend
1/08/2019	Announcement of the list of directors and their role and function
14/08/2019	Announcement relating to the date of board meeting to approve the 2019 interim results
27/08/2019	Announcement of interim results for the six months ended 30 June 2019
13/09/2019	2019 interim report
23/09/2019	Announcement of change of principal place of business in Hong Kong

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 strategies and related 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.



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In the beginning of 2019, the Company published the upgraded corporate website and added “Digital and Informatization Solutions” page to introduce various smart services that the Company offers for different industries. Such upgrade is honored with international awards, such as the Silver Award in “Websites — Investor Relations” and the Bronze Award in “Websites — Corporate Web Sites” in the 2019 “Galaxy Awards” and the “Best IR Website (small to mid-cap)” award in the IR Magazine Awards — Greater China 2019 organized by *IR Magazine*, a renowned international magazine focusing on investor relations. The website is recognized for its creativity, effective enhancement of users’ experience, engaging content for users’ needs as well as multiplatform access.



The Company's website

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.

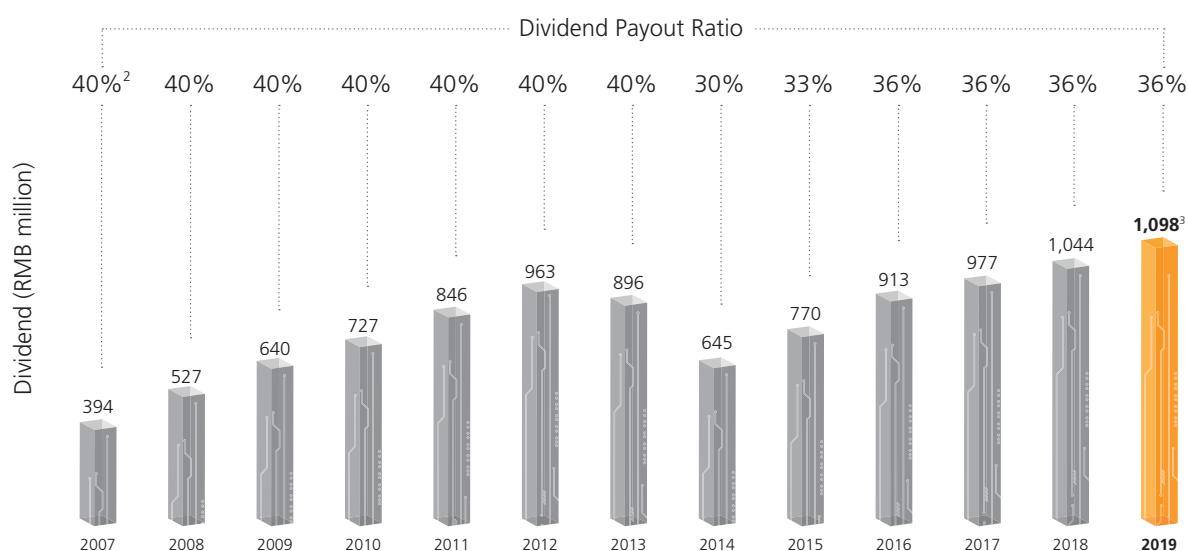
In 2019, the preparation and design of the 2018 annual report of the Company were again recognized by international award organizations and received Platinum Award and ranked 24th in the Top 100 Reports Worldwide of the “Vision Awards” in “The League of American Communications Professionals” (LACP) and 3 Gold Awards in “Cover Photo & Design”, “Traditional Annual Report” and “Infographics” in “International ARC Awards”.

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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 2019, 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 RMB0.1321 per share (equivalent to a payout ratio of 30%) and a special dividend of RMB0.0264 per share. Total dividend for 2019 is RMB0.1585 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 2019 annual general meeting to be held on 15 June 2020.



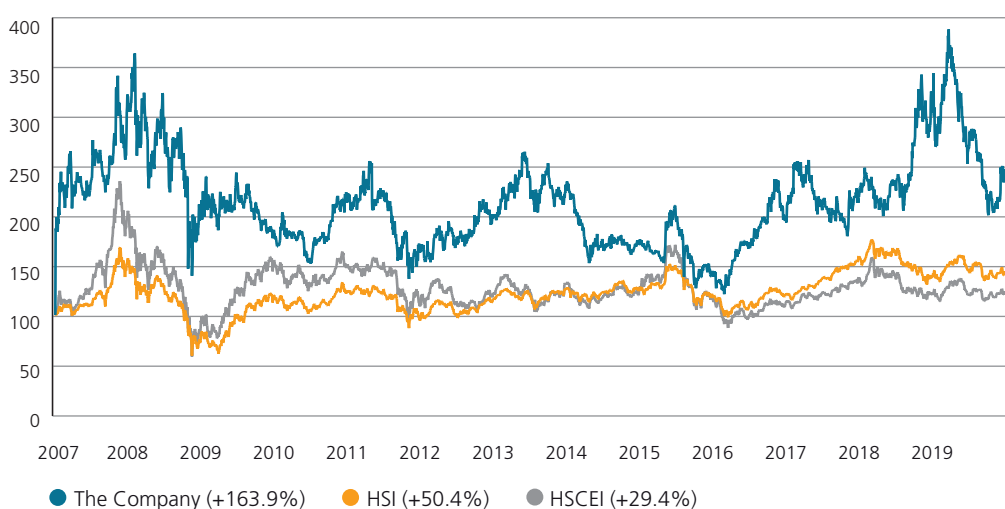
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SHARE PRICE PERFORMANCE

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 the implementation of forward-looking development strategies, enhancing competitiveness continuously by innovation and transformation, as well as adhering to the principle of sound corporate governance. Besides, the Company implemented practical and effective investor relations initiatives. 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 2019



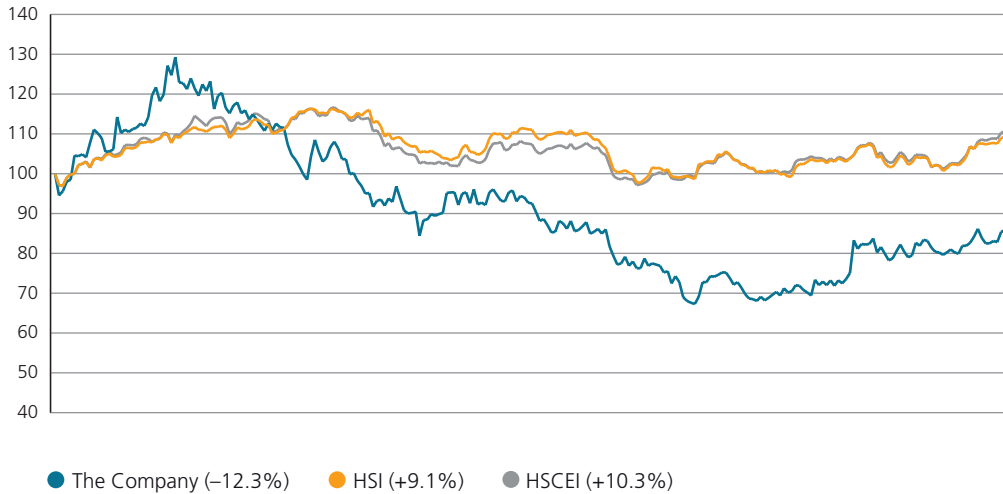
In 2019, global stock markets benefited from the expansionary monetary policy of the Europe and the United States in general while they were volatile due to the US-China trade negotiation. In the beginning of 2019, relevant department of Chinese government stated that temporary 5G license would be issued in certain cities and the market focused on 5G related stocks. Such news significantly stimulated the share price of the Company which reached the new high (HK\$8.50) since listing as the market expected that the results of the Company would benefit from 5G network construction during the year. The stock price of the Company then retreated due to several factors, including a gap between market's high expectation while domestic telecommunications operators did not significantly increase investment in 2019, and performance indicators of the Company pending further improvement in short-term during transformation etc. Thus, the Company's stock performance was relatively weak in the first three quarters. Entering the fourth quarter, the Company's stock price stabilized and then increased as Ministry of Industry and Information Technology announced the official commercial use of 5G, stimulating the stock prices of 5G related companies. As at 31 December 2019, stock price of the Company decreased by 12.3% year-on-year (In 2018, stock price of the Company increased by 23.7% year-on-year).

2019	Highest	Lowest	Closing
Price per H share of the Company (HK\$)	8.50	4.31	5.68

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Share Price Performance in 2019

From 1 January 2019 to 31 December 2019



As at 31 December 2019, 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 2019, the Company's total market capitalization was about HK\$39.3 billion.



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MAJOR AWARDS AND RECOGNITIONS IN 2019

- “15th Asian ESG Awards” by Corporate Governance Asia**
 - The Best of Asia — Icon on Corporate Governance
 - Asian Corporate Director
 - ESG Influencer
- “9th Asian Excellence Recognition Awards” by Corporate Governance Asia**
 - Best CEO
 - Best Investor Relations
- “The Asset ESG Corporate Awards 2019” by The Asset**
 - Gold Award — Corporate Governance, Social Responsibility and Investor Relations
 - Best CEO
- “Best Multinational CEO List” by Forbes China**
 - Mr. Si Furong, an Executive Director and the President of the Company
- “Golden Hong Kong Equities Awards” by Zhitong Finance and Tonghuashun Finance**
 - Best TMT Company
 - Most Socially Responsible Listed Company
- “IR Magazine Awards — Greater China 2019” by IR Magazine**
 - Best IR Website (small to mid-cap)
- “2019 Galaxy Awards”**
 - Silver Award in “Websites — Investor Relations”
 - Bronze Award in “Websites — Corporate Web Sites”
- “Vision Awards” by LACP**
 - Platinum Award
 - Rank 24th in the Top 100 Annual Reports Worldwide
- “International ARC Awards”**
 - Gold Award in “Cover Photo & Design”
 - Gold Award in “Traditional Annual Report”
 - Gold Award in “Infographics”
- “100 Most Competitive Software & IT Service Enterprises 2019” coordinated by China Information Technology Industry Federation**
 - Rank 5th
- “2019 FORTUNE China 500” by FORTUNE China**
 - Rank 86th
- “2019 Forbes Global 2000 — World’s Largest Public Companies” by Forbes**
 - Rank 1502nd



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RECOGNITIONS AND HONOURS IN THE CAPITAL MARKET

The Company has always been well recognized by the capital market. It has been admitted in certain indices in Hong Kong, including the “Hang Seng Composite Index”, “Hang Seng Composite LargeCap & MidCap Index”, “Hang Seng China State-holding Enterprises Index”, “Hang Seng Internet & Information Technology Index”, “Hang Seng Composite Industry Index — Information Technology”, “Hang Seng Stock Connect Hong Kong Composite Index” and “Hang Seng SCHK China Technology Index”.

As of the date of this report, approximately 18 international and mainland investment banks and institutions prepared and published research reports for the Company on a regular basis, among which nine investment banks initiated or resumed coverage on the Company in this year and significantly raised awareness of the Company in the capital market. Since its listing, the Company’s investment value has also been recognized by the capital market. As of the date of this report, major research institutions maintained positive investment ratings such as “Buy”, “Overweight” or “Hold” on the Company.

The Company has been dedicated to improving its management and operation in all aspects. In 2019, the Company was recognized by many domestic and overseas organizations and institutions. Authoritative institutions such as *Corporate Governance Asia* and *The Asset* offered recognitions and awards to the Company in respect of its ESG, corporate governance and investor relations. *Corporate Governance Asia* awarded “Asian Corporate Director” to the Chairman, Mr. Zhang Zhiyong while the President, Mr. Si Furong was awarded the “Best CEO”. Mr. Si was also awarded the “Best CEO” by *The Asset* and entered the 2019 *Forbes China* “Best Multinational CEO List”. These awards demonstrated the capital market’s recognition to our management. At “Golden Hong Kong Equities Awards”, the Company was granted “Best TMT Company” and “Most Socially Responsible Listed Company”. Furthermore, the Company received various awards from international assessment institutions in respect of the Company’s annual report and website.

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 1101–1102, 11/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong
Telephone: (852) 3699 0000
Facsimile: (852) 3699 0120
Email: ir@chinaccs.com.hk