

## 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 2020, the Company further strengthened its investor relations' initiatives under the principle of high transparency, accuracy, timeliness, fairness and effectiveness.

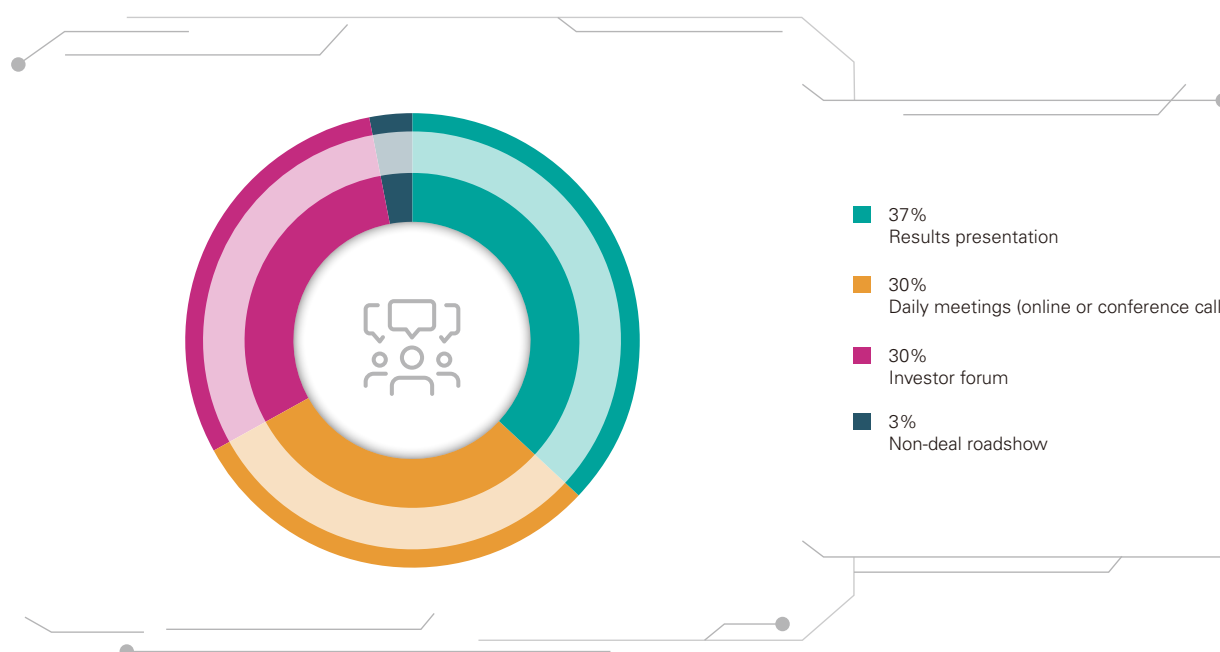
The Company keeps improving the two-way communication channels with the capital market in order to maintain favourable and long-term interaction with its shareholders and investors. Under the impact of novel coronavirus (the "COVID-19") pandemic, routine investor communications could not be conducted in the usual format such as hosting physical results presentation. The Company proactively innovated and adopted an online format to carry on hosting results presentation. Meanwhile, we participated in various conferences via different online conferencing tools to maintain favourable communication with the capital market, while proactively responding to the major issues that it concerns and explaining the impact of the pandemic on our businesses and corresponding measures we adopted, as well as our strategies, development measures, transformation progress, latest industry development, thereby facilitating investors to have a better grasp on the overview of the Company and conduct a more comprehensive analysis 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 by the management of the Company, promoting sustainable development and enhancing long-term corporate value of the Company.

### INVESTOR RELATIONS ACTIVITIES

In 2020, the Company maintained direct and close communications with its investors through diverse channels including online investor presentation, press teleconferences, non-deal roadshows, online investor forums organized by investment banks, 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 for approximately 370 person-times. The Company continued proactively conducting good communications with analysts to enhance their understandings on the current and future development direction as well as strategies of the Company. At the same time, the Company also proactively participated in online investor forums and conferences held by mainland brokers to connect with more mainland investors.

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.

### ATTENDANCE ANALYSIS OF INVESTOR RELATIONS ACTIVITIES IN 2020



## INVESTOR RELATIONS

## List of Investor Relations Activities of the Company in 2020

Date	Event
1/2020	UBS Greater China Conference 2020
3/2020	2019 Annual Results Announcement – Online Analyst Briefing – Press Teleconference
4/2020	Non-deal Roadshow
5/2020	Nomura Virtual Greater China TMT Corporate Day 2020
5/2020	Goldman Sachs TechNet Conference Asia Pacific 2020 – Online
6/2020	BofA 2020 Innovative China Virtual Conference
6/2020	CITICS Capital Market Conference 2020
6/2020	J.P. Morgan China Investor Conference
8/2020	2020 Interim Results Announcement – Online Analyst Briefing – Press Teleconference
8/2020	Non-deal Roadshow
9/2020	UBS China TMI Virtual Conference 2020
9/2020	Jefferies Asia Forum
11/2020	BofA Securities 2020 China Conference
11/2020	Citi 15th China Investor Conference
11/2020	J.P. Morgan 2020 Global TMT Conference
11/2020	Morgan Stanley Virtual Asia Pacific Summit
11/2020	Nomura Investment Forum 2020

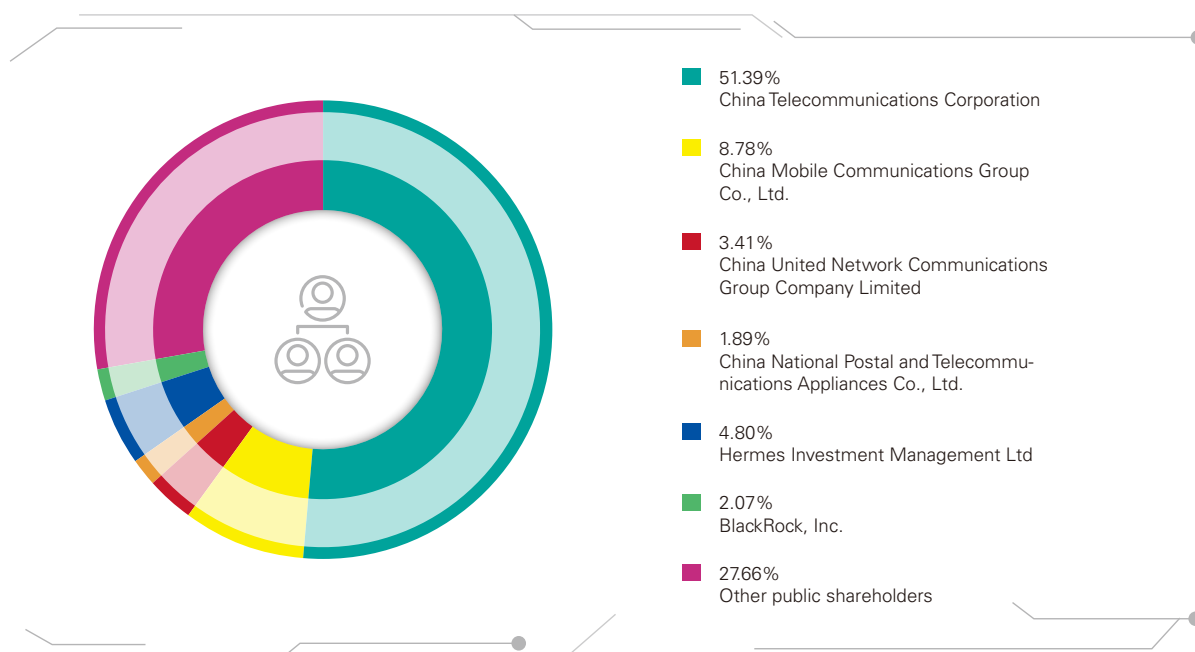
## INVESTOR RELATIONS

### SHAREHOLDING STRUCTURE

In 2020, the Company continued to appoint an international survey company to conduct comprehensive surveys on the shareholding structure to keep abreast of the information on its shareholders, including structure and position changes of shareholders, shareholder types, geographical distribution and investment styles. When organizing its roadshows, the Company developed 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. We proactively broadened our investor base to diversify the geographical distribution of investors, thereby 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 2020, 1.81% 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<sup>1</sup> AS OF 31 DECEMBER 2020



<sup>1</sup> For details of the material interests and short positions in shares and underlying shares of the Company, please refer to "Report of the Directors".

### 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.

## INVESTOR RELATIONS

In 2020, in accordance with the Listing Rules, the Company published approximately 25 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, acquisition of property and poll results for general meetings, details of which are as follows:

19/03/2020	Announcement relating to the date of board meeting to approve the 2019 annual results
20/03/2020	Announcement of resignation of non-executive directors
20/03/2020	Announcement of the list of directors and their role and function
31/03/2020	Announcement of annual results for the year ended 31 December 2019
28/04/2020	2019 annual report
28/04/2020	Circular of proposed appointment of non-executive directors, proposed amendments to the articles of association and notice of annual general meeting
28/04/2020	Notice of annual general meeting to be held on 15 June 2020, form of proxy and attendance slip
15/06/2020	Announcement of poll results of the annual general meeting held on 15 June 2020, payment of dividend and appointment of non-executive directors
15/06/2020	Announcement of the list of directors and their role and function
15/06/2020	Articles of Association
19/06/2020	Announcement of the list of directors and their role and function
31/07/2020	Announcement of discloseable transaction – acquisition of property
07/08/2020	Announcement in relation to the operating performance updates for the first half of 2020
13/08/2020	Announcement relating to the date of board meeting to approve the 2020 interim results
26/08/2020	Announcement of interim results for the six months ended 30 June 2020
26/08/2020	Announcement of appointment of executive vice president
10/09/2020	2020 interim report
22/09/2020	Announcement of resignation of director, proposed appointment of director and change of important executive positions
22/09/2020	Announcement of the list of directors and their role and function
28/09/2020	Circular of proposed appointment of executive director and notice of the extraordinary general meeting
28/09/2020	Notice of extraordinary general meeting to be held on 21 October 2020 and form of proxy
21/10/2020	Announcement of poll results of the extraordinary general meeting held on 21 October 2020 and appointment of executive director
21/10/2020	Announcement of the list of directors and their role and function
27/10/2020	Announcement of appointment of executive vice president
27/10/2020	Announcement of the list of directors and their role and function

Other than announcements and circulars, the Company's website ([www.chinaccs.com.hk](http://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. Other than introducing the basic information of the Company and disclosing the corporate governance, environmental and social information, the website also showcases the businesses and markets of the Company, while highlighting various smart services we provide for different industries and related cases, such that investors could have a more comprehensive understanding on our transformation in recent years. In addition, a range of detailed information catering for investors' needs, including hot topics concerned by investors such as downloadable historical financial information, stock information, investment value, annual reports and investor activities of the Company 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.

## INVESTOR RELATIONS

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 and market position, 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 the design story of the 2019 annual report, we took nine red points to signify the Company's logo, which also represent the three business segments and nine businesses of the Company. The four-layer die cut design symbolized not only the four-layer structure of the Company as a "New Generation Integrated Smart Service Provider", but also the four unique capabilities of the Company. In 2020, the preparation and design of the 2019 annual report of the Company were again recognized by international award organizations and received Platinum Award and ranked 42nd in the Top 100 Reports Worldwide of the "Vision Awards" in "The League of American Communications Professionals" (LACP) and two Gold Awards in "Cover Photo & Design" and "Printing & Production" in "International ARC Awards".



The Company's 2019 Annual Report design

## INVESTOR RELATIONS

## COMMUNICATION AMID THE PANDEMIC

Subject to the social distancing measures under the outbreak of the COVID-19, the Company changed the physical results presentation to the online format. Through presenting the results on a dual-language platform with Q&A function, management could make a more concrete illustration on the presentation materials while responding to questions raised by investors online on the results of the Company. At the same time, the Company also held a teleconference with the media on the results to maintain a continuous communication with them.



2020 Interim Results online presentation provided real-time Q&A opportunities to investors

As social media becomes one of the main daily communication channels, the Company prepared a dual-language results highlight for 2019 Annual Results with animation, graphs and texts. Such brief introduction illustrated key financial indicators such as revenue growth, profit margins, dividend payout ratio and the current development and future directions of each markets of the Company. By presenting the results highlight in social media platforms in a more vivid way, it was circulated in a wider range among the market while investors could have a more profound understanding on the key messages of the Company.



Dual-language results highlight for 2019 Annual Results with animation, graphs and texts

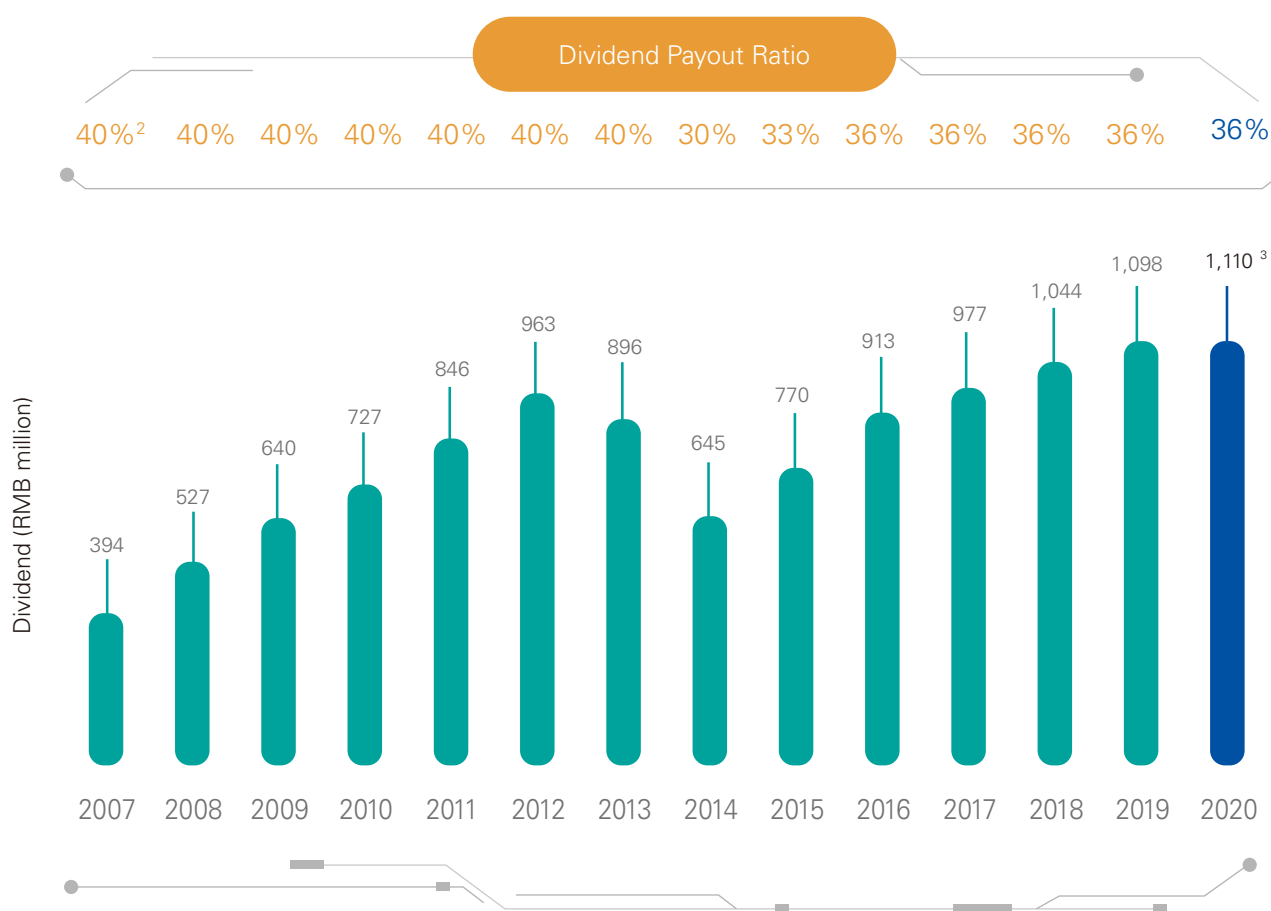


## INVESTOR RELATIONS

## 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 2020, the Group continued to achieve 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 RMB0.1335 per share (equivalent to a payout ratio of 30%) and a special dividend of RMB0.0267 per share. Total dividend for 2020 is RMB0.1602 per share (equivalent to a payout ratio of 36%).

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



<sup>2</sup> 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.

<sup>3</sup> Subject to the approval at the 2020 annual general meeting to be held on 18 June 2021.

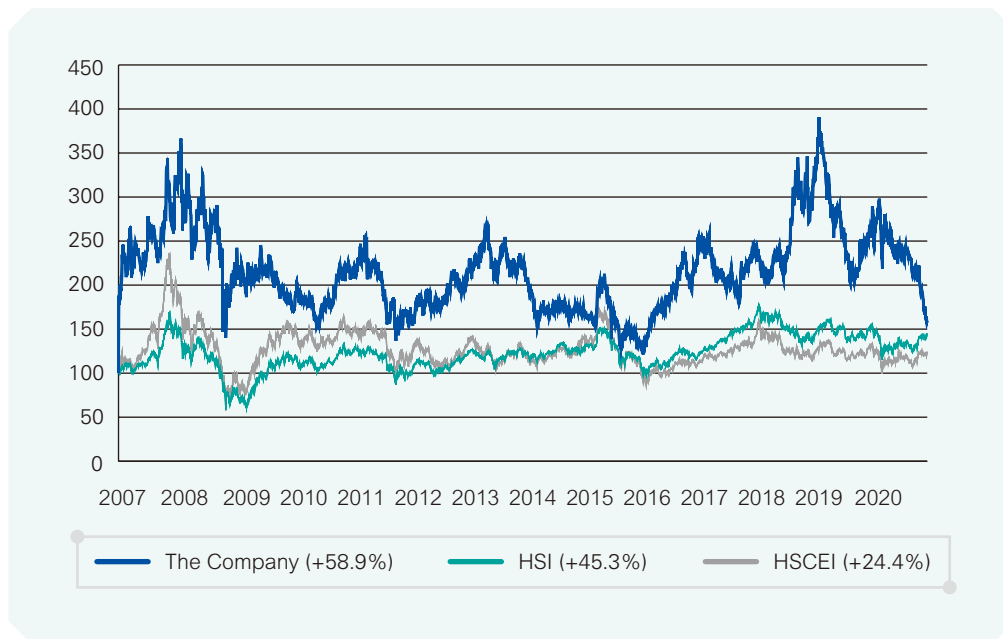
## INVESTOR RELATIONS

**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 firmly captured industry and technology development trend, elevated competitiveness continuously through the implementation of forward-looking development strategies, promoting innovation and transformation, facilitated development by grasping market opportunities. At the same time, the Company adhered to the principle of sound corporate governance and implemented practical and effective investor relations initiatives that supported the stock price performance of the Company.

**Share Price Performance Since Listing**

From 8 December 2006 to 31 December 2020





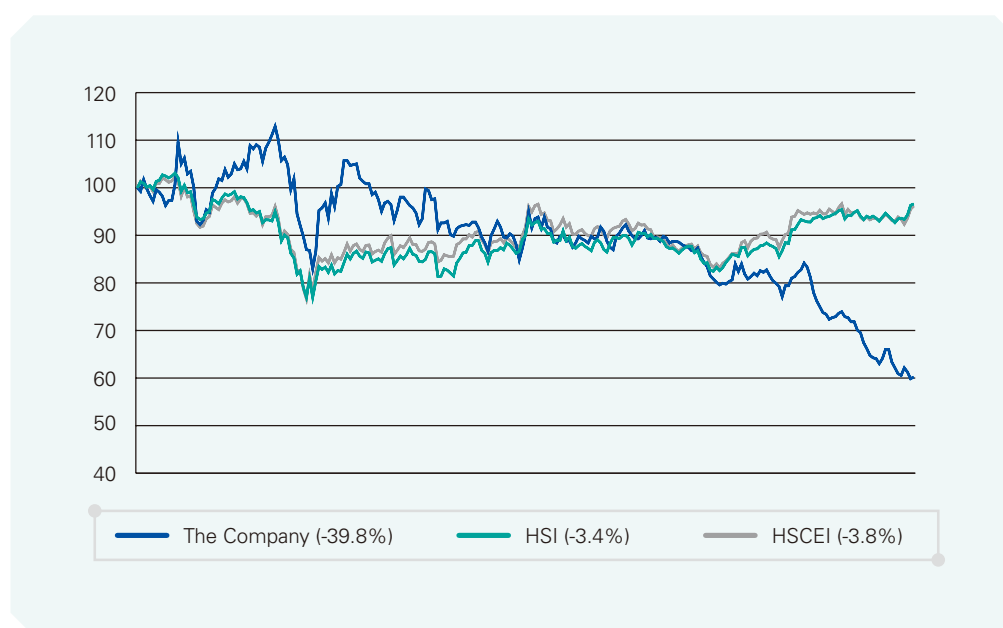
## INVESTOR RELATIONS

In 2020, global stock markets tumbled in the first quarter due to the outbreak of COVID-19, but with central banks in Europe and US adopting a quantitative easing and expansionary monetary policy, as well as the rollout of COVID-19 vaccines to the market and the completion of US presidential election in the fourth quarter, major global stock markets stabilized gradually and had a positive growth for the full year. Stock price of the Company in 2020 was affected by external factors to a larger extent. Though the acceleration of construction of New Infrastructure such as 5G in the mainland brought favourable opportunities to the Company, the pandemic had a considerable short-term impact on our operating results in the first half of the year. The US-China relations became increasingly tense, particularly in November, the then US president signed an executive order that prohibited US investors from investing in certain Chinese enterprises. Although the Company was not on the list of companies that were prohibited from investment by such executive order, the stock prices of relevant companies, including the Company, dropped significantly during the period due to the uncertainties brought by the news. As at 31 December 2020, stock price of the Company decreased by 39.8% year-on-year.

2020	Highest	Lowest	Closing
Price per H share of the Company (HK\$)	6.7	3.32	3.42

## Share Price Performance in 2020

From 1 January 2020 to 31 December 2020



As at 31 December 2020, 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 2020, the Company's total market capitalization was about HK\$23.7 billion.

## INVESTOR RELATIONS



## MAJOR AWARDS AND RECOGNITIONS IN 2020

- 2020 “All-Asia Executive Team” Rankings by Institutional Investor**
  - Honored Companies in Asia
  - Rank 3rd for Best CEO in the Overall Ranking in Telecommunications Sector
  - Rank 3rd in the Sell-side Ranking in the Telecommunications Sector
    - Best CEO
    - Best CFO
    - Best IR Program
    - Best IR Team
    - Best ESG
- “10th Asian Excellence Recognition Awards” by Corporate Governance Asia**
  - Best CEO
  - Best CFO
  - Best Investor Relations
- “The Asset ESG Corporate Awards 2020” by The Asset**
  - Titanium Award
  - Best Investor Relations Team
- The “5th Golden Hong Kong Equities Awards Ceremony” by Zhitong Finance and Tonghuashun Finance**
  - The Best TMT Company
- The 10th “China Securities Golden Bauhinia Awards” by Ta Kung Wen Wei**
  - The Best Investment Value Listed Company
- “Vision Awards” by LACP**
  - Platinum Award
  - Rank 42nd in the Top 100 Annual Reports Worldwide
- “International ARC Awards”**
  - Gold Award in “Cover Photo & Design”
  - Gold Award in “Printing & Production”
- “100 Most Competitive Software & IT Service Enterprises 2020” coordinated by China Information Technology Industry Federation**
  - Rank 5th
- “2020 FORTUNE China 500” by FORTUNE China**
  - Rank 86th
- “2020 Forbes Global 2000 – The World’s Largest Public Companies” by Forbes**
  - Rank 1,488th

## INVESTOR RELATIONS

### 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 Large-Mid Cap (Investable) 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, over 10 international and mainland investment banks and institutions prepared and published research reports for the Company on a regular basis, among which two investment banks initiated coverage on the Company in this year. 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 2020, the Company was recognized by many domestic and overseas organizations and institutions. Authoritative institutions such as *Institutional Investor*, *Corporate Governance Asia* and *The Asset* offered recognitions and awards to the Company in respect of its corporate management, ESG and investor relations. The Company was named as “Honored Companies in Asia” by *Institutional Investor* for the first time. The management of the Company also ranked third in the “Best CEO” and “Best CFO” in the relevant rankings in the telecommunications sector, while the Company was also recognized in the fields of “Best ESG” and investor relations. *Corporate Governance Asia* awarded the “Best CEO” and the “Best CFO” to the management of the Company. These awards demonstrated the capital market’s recognition to our management and corporate governance. At the 5th “Golden Hong Kong Equities Awards Ceremony”, the Company was granted “The Best TMT Company”; at the 10th “China Securities Golden Bauhinia Awards”, the Company was granted “The Best Investment Value Listed 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 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](mailto:ir@chinaccs.com.hk)