

## 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 2021, the Company further strengthened its investor relations' initiatives under the principles of high transparency, accuracy, timeliness, fairness and effectiveness.

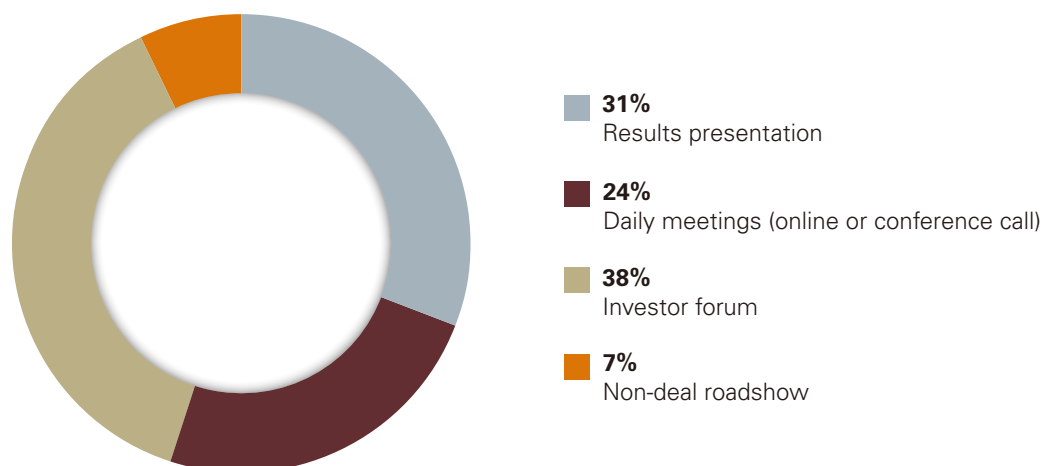
The Company keeps improving the two-way communication channels with the capital market in order to maintain favourable and long-term interaction with its shareholders and investors. Under the continual impact of the COVID-19 pandemic, routine investor communications such as physical results presentation could not be conducted in the usual format according to the social distancing measures. The Company reacts adaptively and continues to adopt an online format to host results presentation. Meanwhile, we communicate with investors via different online conferencing tools to maintain smooth communication with the capital market, while proactively responding to the major issues that it concerns and explaining market opportunities, our position and strategies, development measures, technological innovation and reform, as well as financial condition, 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 feedback 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 2021, the Company maintained interactive communication with its investors through multiple channels including investor presentation in online platform, press teleconferences, non-deal roadshows, online investor forums organized by investment banks, teleconferences and video conferences to achieve favourable communication proactively with investors, so as to enhance their comprehension on the current and future development direction and strategies of the Company. During the year, the Company held meetings and communicated with analysts and investors for approximately 300 person-times. At the same time, the Company also proactively broadened the investor base in China. Through participating in non-deal roadshows organized by mainland brokers and proactively participating in online investor forums and conferences held by mainland brokers, the Company was in contact with more mainland investors and portion of H shares held by mainland investors increased notably during the 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.

### ATTENDANCE ANALYSIS OF INVESTOR RELATIONS ACTIVITIES IN 2021



### List of Investor Relations Activities of the Company in 2021

Date	Event
1/2021	Morgan Stanley Virtual China New Economy Summit
1/2021	UBS Greater China Conference 2021
1/2021	CGS-CIMB and CGI 3rd Annual HK/China Small-Mid Cap Virtual Corporate Day
3/2021	2020 Annual Results Announcement – Online Analyst Briefing – Press Teleconference
3/2021	Non-deal Roadshow
5/2021	Goldman Sachs Virtual TechNet Conference Asia Pacific 2021
5/2021	Morgan Stanley Virtual China Summit
5/2021	BofA Securities 2021 Innovative China Conference
6/2021	CITICS Capital Market Conference 2021
6/2021	Citi Pan-Asia Regional Investor Conference 2021 (Virtual)
8/2021	2021 Interim Results Announcement – Online Analyst Briefing – Press Teleconference
8/2021	Non-deal Roadshow
9/2021	Jefferies Asia Forum
11/2021	Citi China Investor Conference 2021
11/2021	BofA Securities 2021 China Conference
11/2021	CITICS 2022 Capital Market Annual Conference

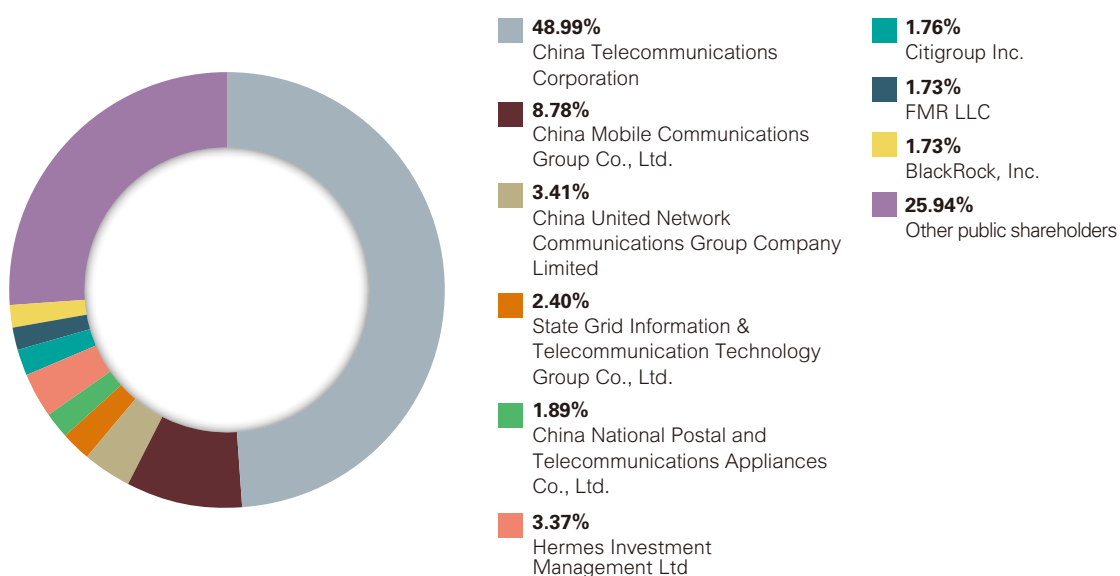




## SHAREHOLDING STRUCTURE

In 2021, 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. The Company proactively broadened its investor base, especially on mainland investors, to diversify the geographical distribution of investors. According to the information from the Central Clearing and Settlement System operated by the Hong Kong Securities Clearing Company Limited, as at 31 December 2021, 5.09% 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, which increased notably when comparing with the year end of 2020 (1.81%).

### SHAREHOLDING STRUCTURE<sup>1</sup> AS OF 31 DECEMBER 2021



<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 principles 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 2021, in accordance with the Listing Rules, the Company published approximately 28 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, introduction of strategic investors, adoption of share appreciation rights incentive scheme and poll results for general meetings, details of which are as follows:

17/03/2021	Announcement relating to the date of board meeting to approve the 2020 annual results
30/03/2021	Announcement of annual results for the year ended 31 December 2020
30/03/2021	Announcement relating to proposed change of auditors
30/03/2021	Announcement relating to change of address of the headquarters, principal place of business and registered address in China and proposed amendment to the articles of association
28/04/2021	2020 annual report
28/04/2021	Circular of proposed appointment of auditors, proposed amendments to the articles of association and notice of annual general meeting
28/04/2021	Notice of annual general meeting to be held on 18 June 2021 and form of proxy
18/06/2021	Announcement of poll results of the annual general meeting held on 18 June 2021, payment of dividend and appointment of auditors
18/06/2021	Articles of Association
18/06/2021	Voluntary announcement relating to introduction of strategic investors of Supply Chain Company
25/06/2021	Announcement relating to introduction of State Grid ITT Group as a strategic shareholder of the company and entering into the strategic cooperation framework agreement
18/08/2021	Announcement relating to the date of board meeting to approve the 2021 interim results
30/08/2021	Announcement of interim results for the six months ended 30 June 2021
14/09/2021	2021 interim report
23/09/2021	Announcement on the progress of share transfer of controlling shareholder
30/09/2021	Announcement of resignation of chairman
30/09/2021	Announcement of the list of directors and their role and function
13/10/2021	Announcement of arrangement for the exercise of relevant powers of chairman
22/10/2021	Announcement relating to the renewal of continuing connected transactions, continuing connected transactions and major transactions under the financial services framework agreement
12/11/2021	Announcement of the delay in despatch of circular
22/11/2021	Announcement relating to proposed adoption of share appreciation rights incentive scheme and proposed initial grant
26/11/2021	Announcement on the completion of share transfer of controlling shareholder
01/12/2021	Circular relating to renewal of continuing connected transactions, continuing connected transactions and major transactions under the financial services framework agreement, proposed adoption of share appreciation rights incentive scheme and proposed initial grant and notice of the extraordinary general meeting
01/12/2021	Notice of extraordinary general meeting to be held on 22 December 2021 and form of proxy
01/12/2021	2020 corporate annual report (available in Chinese version only)
22/12/2021	Announcement of poll results of the extraordinary general meeting held on 22 December 2021
22/12/2021	Announcement relating to initial grant of the share appreciation rights
22/12/2021	Announcement of proposed appointment of non-executive director, resignation of supervisor and proposed appointment of supervisor



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, presentation materials and webcasts, investor activities and frequently asked questions 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.

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.

The design story of the 2020 annual report emphasized that the development and popularization of the new generation information technology have promoted the deep integration of the digital economy and the real economy, and the acceleration of the digital transformation of society has brought important development opportunities. The Company adheres to the strategic position as a "New Generation Integrated Smart Service Provider", plays the part in "4 Roles"<sup>1</sup>, and provides integrated comprehensive smart solutions to our customers, thus creating greater value for the country, society, industries, and customers. In 2021, the preparation and design of the 2020 annual report of the Company were again recognized by international award organizations and received two Gold Awards and ranked 69th in the Top 100 Reports Worldwide of the "Vision Awards" in "The League of American Communications Professionals" (LACP) and three Gold Awards in "Traditional Annual Report", "Cover Photo & Design" and "Printing & Production" in "International ARC Awards".



**The Company's  
2020 Annual  
Report design**



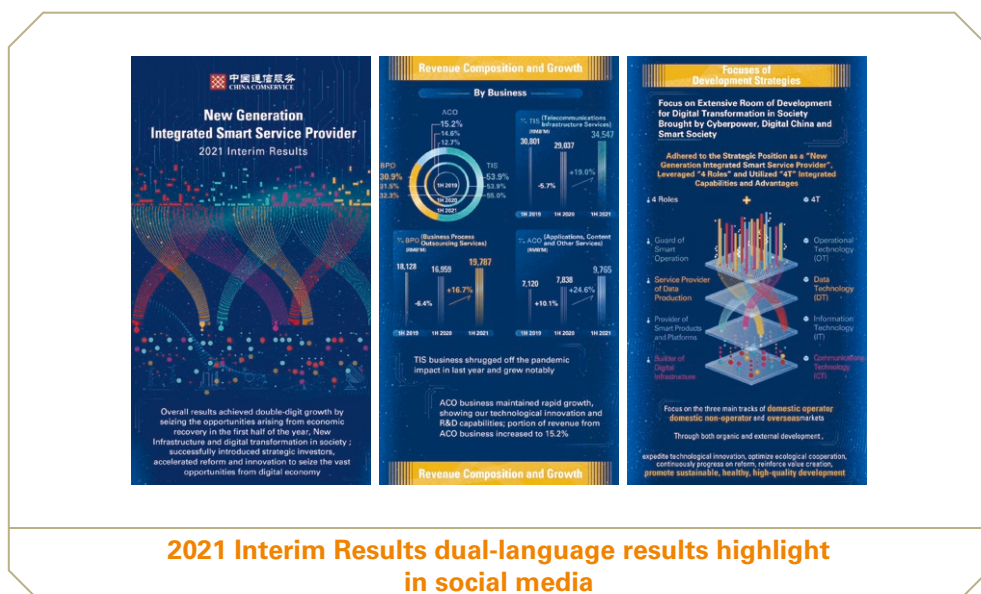
<sup>1</sup> "4 Roles": "Builder of Digital Infrastructure", "Provider of Smart Products and Platforms", "Service Provider of Data Production" and "Guard of Smart Operation".

## MULTIPLE CHANNELS OF COMMUNICATION

Subject to the social distancing measures under the outbreak of the COVID-19 pandemic, the Company continued to host results presentation in 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 immediately. At the same time, the Company also held teleconferences with the media on the results to maintain a continuous communication with them.



As social media has become one of the main channels for receiving market information and daily communication among investors, in order to spread the results highlight in a more convenient and swift manner which enabled a wider range of investors to comprehend the key messages of the Company's results, the Company prepared a dual-language results highlight for 2021 Interim Results in GIF format. The results highlight illustrated key financial indicators such as revenue growth, profit margins and the development features of each market, progress on technological innovation and SOE reform. 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.



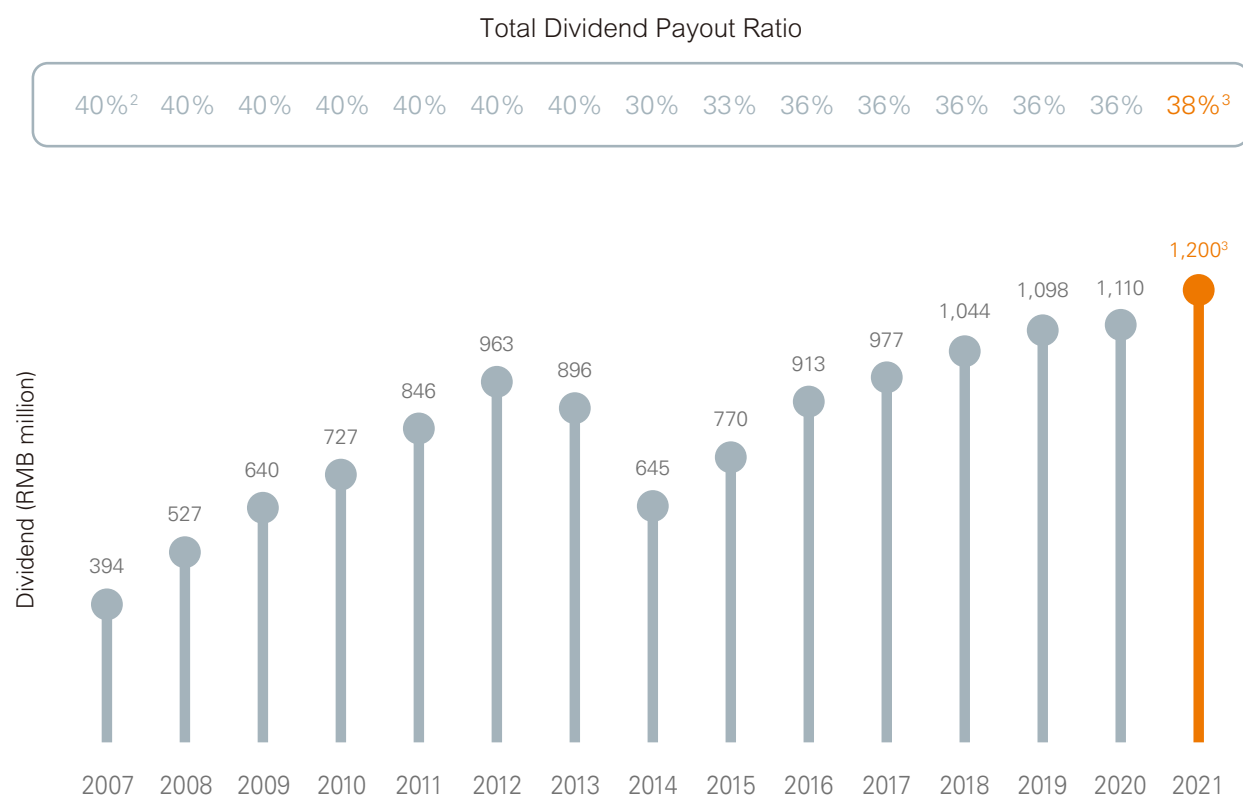
**2021 Interim Results dual-language results highlight in social media**



## DIVIDEND

The Company always values the interests and returns to shareholders since its listing in 2006, 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, as well as consideration of capital market expectation. In 2021, the Company 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 RMB0.1641 per share (equivalent to a payout ratio of 36%) and a special dividend of RMB0.0091 per share. Total dividend for 2021 is RMB0.1732 per share (equivalent to a total payout ratio of 38%).

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 2021 annual general meeting to be held on 17 June 2022.

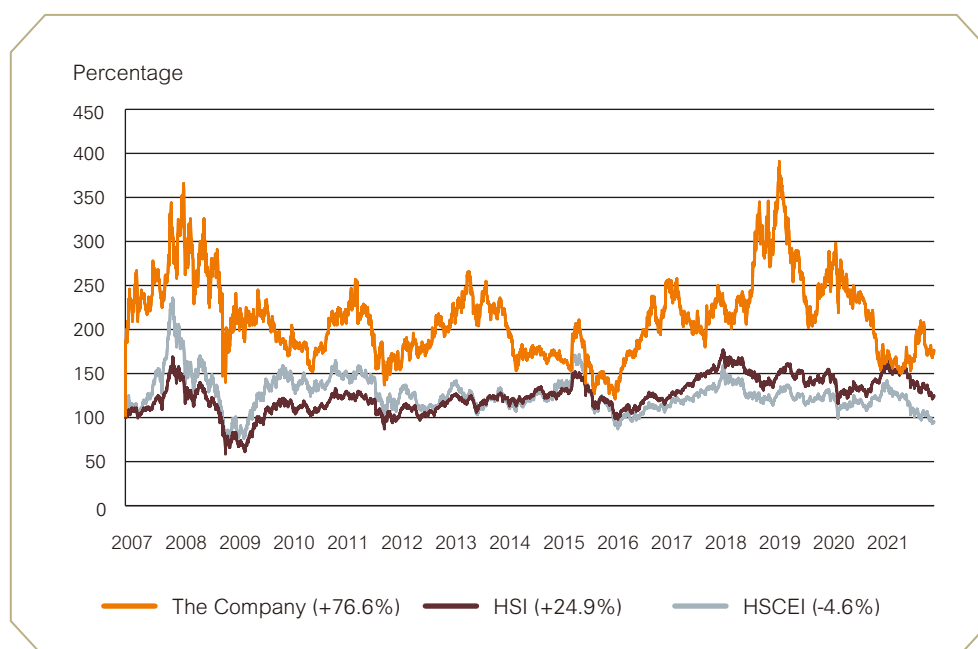
## SHARE PRICE PERFORMANCE

The H shares issued by the Company were listed on the Hong Kong 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, enhancing efforts on technological innovation and promoting transformation, facilitated sustainable 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

(Performance relative to indexes)

From 8 December 2006 to 31 December 2021



In 2021, despite the persistence of COVID-19 pandemic, major stock markets in the world performed favourably as the global economy started to recover. However, Hong Kong stock market was affected by uncertainties such as strengthening regulation on the Internet industry by China and debt crisis of certain mainland property companies, Hang Seng Index declined year-on-year. As the Company implemented and announced multiple reform-related matters, including the respective introduction of strategic shareholders at company's overall level and subsidiary level in June and the adoption of Share Appreciation Rights Incentive Scheme in November, and driven by the favourable performance of the interim results, stock price of the Company increased against the declining market. As at 31 December 2021, stock price of the Company increased by 11.1% year-on-year compared to the year end of 2020.

2021	Highest	Lowest	Closing
Price per H share of the Company (HK\$)	4.57	3.18	3.8

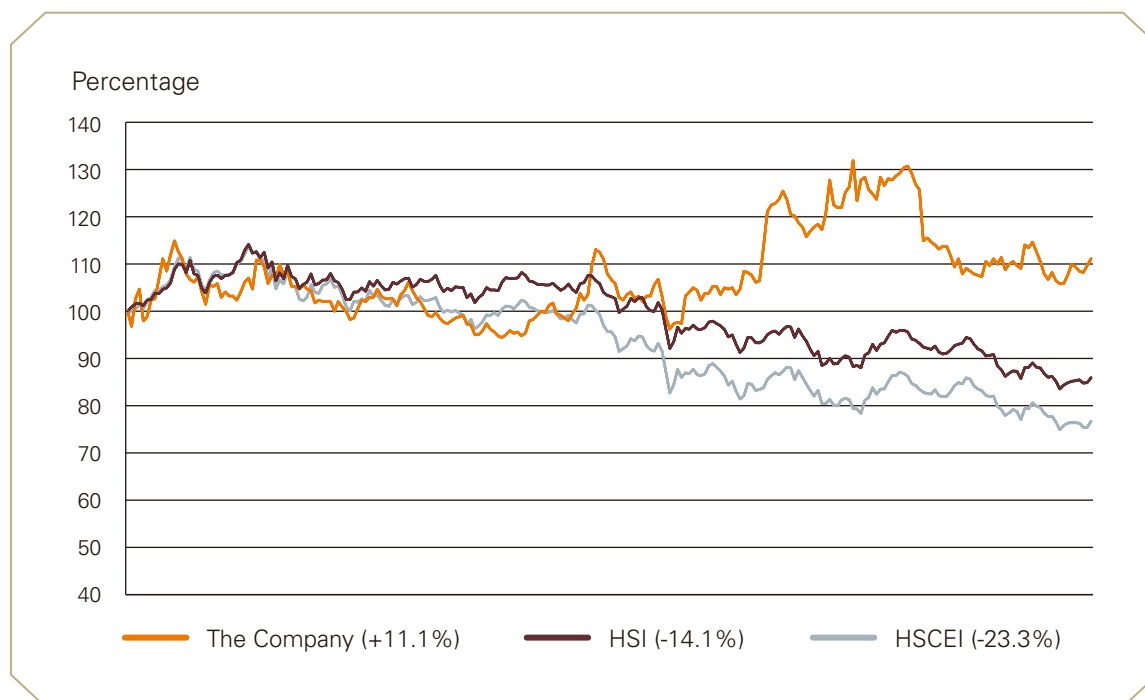




## Share Price Performance in 2021

(Performance relative to indexes)

From 1 January 2021 to 31 December 2021



As at 31 December 2021, 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 Hong Kong Stock Exchange, representing approximately 34.5% of the total number of shares of the Company. Based on the closing price as of 31 December 2021, the Company's total market capitalization was about HK\$26.3 billion.



## MAJOR AWARDS AND RECOGNITIONS IN 2021



### 1. "2021 All-Asia Executive Team" Rankings by Institutional Investor

- Honored Company
- Rank 2nd in the Overall (Small & Midcap) rankings in the telecommunications sector
  - \* Best CEO
  - \* Best CFO
  - \* Best IR Professional
  - \* Best IR Program
  - \* Best ESG

### 2. "16th Asian ESG Award" by Corporate Governance Asia

- Asia's Icon on ESG
- ESG Influencer
- Asian Corporate Director

### 3. "11th Asian Excellence Award" by Corporate Governance Asia

- Asia's Best CEO
- Asia's Best CFO
- Best Investor Relations Company

### 4. "The Asset ESG Corporate Awards 2021" by The Asset

- Gold Award
- Best Investor Relations Team

### 5. The "6th Golden Hong Kong Equities Awards Ceremony" by Zhitong Finance and Tonghuashun Finance

- 2021 Golden Hong Kong Equities Grand Award

### 6. "Vision Awards" by LACP

- Two Gold Awards
- Rank 69th in the Top 100 Annual Reports Worldwide

### 7. "International ARC Awards"

- Gold Award in "Traditional Annual Report"
- Gold Award in "Cover Photo & Design"
- Gold Award in "Printing & Production"

### 8. "100 Most Competitive Software & IT Service Enterprises 2021" coordinated by China Information Technology Industry Federation

- Rank 4th

### 9. "2021 FORTUNE China 500" by FORTUNE China

- Rank 87th

### 10. "2021 Forbes Global 2000" by Forbes

- Rank 1,337th

## 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 China State-holding Enterprises Index”, “Hang Seng Composite Industry Index – Information Technology”, “Hang Seng Stock Connect Hong Kong Composite Index” and “Hang Seng SCHK China Technology Index”.

The Company has been the focus of and recognized by the capital market, as of the date of this report, about 10 international and mainland investment banks and institutions prepared and published research reports for the Company on a regular basis, 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, and was recognized by many domestic and overseas organizations and institutions. In 2021, 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 Company” by *Institutional Investor*. The management of the Company also ranked the second in the “Best CEO” and “Best CFO” in the Overall (Small & Midcap) rankings in the telecommunications sector, while the Company was also recognized in the fields of “Best ESG” and investor relations. *Corporate Governance Asia* awarded “Asia’s Best CEO”, “Asia’s Best CFO” and “Asian Corporate Director” to the management of the Company. These awards demonstrated the capital market’s recognition to our management and corporate governance. At the “6th Golden Hong Kong Equities Awards Ceremony”, the Company was granted “2021 Golden Hong Kong Equities Grand Award”. 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: 9:00–18:00):  
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)

