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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated November 27, 2006 (the "Prospectus") issued by the Company.



中国通信服务
CHINA COMSERVICE

中國通信服務股份有限公司

CHINA COMMUNICATIONS SERVICES CORPORATION LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 552)

EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was exercised in full by the Joint Bookrunners on behalf of the International Purchasers on December 20, 2006 in respect of an aggregate of 193,693,000 H Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering. The 193,693,000 H Shares will be issued and allotted by the Company at HK\$2.20 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering, solely to cover over-allocations in the International Offering.

In accordance with relevant PRC regulations regarding disposal of State-owned shares, each of our Promoters is required to transfer to the SSF, in proportion to their respective shareholdings in the Company, 19,369,300 Domestic Shares, in aggregate equivalent to 10% of the number of the H Shares issued by the Company pursuant to the exercise of the Over-allotment Option. The Domestic Shares transferred to the SSF from the state-owned shareholders will be converted into H Shares on a one-for-one basis.

The Company announces that the Over-allotment Option described in the Prospectus was exercised in full by the Joint Bookrunners on behalf of the International Purchasers on December 20, 2006 in respect of an aggregate of 193,693,000 H shares (the "**Over-allotment Shares**"), representing approximately 15% of the Offer Shares initially available under the Global Offering.

The Over-allotment Shares will be issued and allotted by the Company at HK\$2.20 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering. The Over-allotment Shares will be used solely to cover over-allocations in the International Offering.

In accordance with relevant PRC regulations regarding disposal of State-owned shares, each of the Promoters is required to transfer to the SSF, in proportion to their respective shareholdings in the Company, 19,369,300 Domestic Shares, in aggregate equivalent to 10% of the number of the H Shares issued by the Company pursuant to the exercise of the Over-allotment Option. The Domestic Shares transferred to the SSF from the state-owned shareholders will be converted into H Shares on a one-for-one basis (the "**Conversion**"). Neither the Promoters nor the Company will receive any proceeds from the transfer of the Shares to the SSF or from any subsequent disposal of such H Shares by the SSF. It is expected that the Conversion will be completed by December 22, 2006 after the completion of the registration of the H Shares.

Immediately after the issuance and allotment of the Over-allotment Shares and the completion of the Conversion, approximately 30.00% of the issued share capital of the Company will be held in public hands and the number of shares of the Company held in public hands will represent at least 25% of the total issued share capital of the Company.

Listing of and permission to deal in the Over-allotment Shares and the H Shares to be held by the SSF upon the completion of the Conversion (the "**Converted H Shares**") has already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in such Over-allotment Shares and the Converted H Shares are expected to commence on the main board of the Hong Kong Stock Exchange at 9:30 a.m. on December 22, 2006.

The shareholding structure of the Company immediately before and immediately after the issue by the Company of the Over-allotment Shares and the completion of the Conversion is as follows:

	Immediately before the issue and sale of the Over-allotment Shares and completion of the Conversion		Immediately after the issue and sale of the Over-allotment Shares and completion of the Conversion	
	Number of shares	Approximate percentage of the Company's issued share capital	Number of shares	Approximate percentage of the Company's issued share capital
Domestic Shares in issue held by the Promoters	3,830,870,700	72.95%	3,811,501,400	70.00%
H Shares under the Global Offering	1,291,293,000	24.59%	1,484,986,000	27.27%
H Shares held by SSF	129,129,300	2.46%	148,498,600	2.73%
Total number of shares	<u>5,251,293,000</u>	<u>100.00%</u>	<u>5,444,986,000</u>	<u>100.00%</u>

The net proceeds to the Company of approximately HK\$401 million from the issue of the Over-allotment Shares by the Company will be used by the Company for the same purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

By Order of the Board
Wang Xiaochu
Chairman

Beijing, PRC, December 20, 2006

As at the date of this announcement, our chairman of the Board and non-executive director is Wang Xiaochu, our executive director is Li Ping, our non executive directors are Liu Aili and Zhang Junan, and our independent non-executive directors are Wang Jun, Chan Mo Po, Paul, Zhao Chunjun, Wu Shangzhi, Hao Weimin.