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**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 limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 552)

## **ANNOUNCEMENT IN RELATION TO THE AUDIT OF NATIONAL AUDIT OFFICE**

In 2011, the National Audit Office (the “NAO”) conducted an audit on the financial revenues and expenditures of China Telecommunications Corporation (the “China Telecom Group”), being controlling shareholder of China Communications Services Corporation Limited (the “Company”), and some of its subsidiaries (including the Company) and branches for the year 2010. The NAO has published its major findings in the form of an audit results announcement recently.

The audit report of the NAO recognized the progressive perfection of legal entity governance structures of China Telecom Group, its internal management was enhanced persistently and major economic decisions were properly made. The accounting information basically truly reflected the corporate financial position and operating results. The audit report also pointed out that there were some weaknesses in certain aspects of operational management as well as non-compliance in certain perspectives of business operation of certain subsidiaries and branches of China Telecom Group.

The Company has attached high regards to the audit results and issues identified in the audit regarding the Company and adopted effective measures to rectify the issues identified in the audit. The Company also took proactive measures to further standardise and strengthen its operational management, reinforce the construction of internal control mechanism, and promote a sustainable and healthy development of the Company.

The issues identified in the audit regarding the Company have no significant impact on the overall operating results and the financial statements of the Company.

By Order of the Board  
**China Communications Services Corporation Limited**  
**Chung Wai Cheung, Terence**  
*Company Secretary*

Beijing, PRC, 1 June 2012

*As at the date of this announcement, our executive directors are Mr. Li Ping (Chairman), Mr. Zheng Qibao (President), Mr. Yuan Jianxing (Executive Vice President) and Ms. Hou Rui (Executive Vice President and Chief Financial Officer), our non-executive directors are Mr. Liu Aili and Mr. Zhang Junan, and our independent non-executive directors are Mr. Wang Jun, Mr. Chan Mo Po, Paul, Mr. Zhao Chunjun, Mr. Wu Shangzhi and Mr. Hao Weimin.*