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中國通信服務
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 Operating Performance Updates
for the Full Year of 2013**

This announcement is made pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the “Listing Rules”) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Listing Rules.

The board of directors (the “Board”) of China Communications Services Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to make this announcement to further enhance the transparency of the Group and to enable shareholders of the Company (“Shareholders”), potential investors and the general public to better appraise the operating performance of the Group.

The Board wishes to inform Shareholders and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Group, the profit attributable to equity shareholder of the Company for the year ended 31 December 2013 is expected to decrease as compared to the same period of 2012, and such decrease is expected to be no more than 10%. The changes in operating performance for 2013 were mainly attributable to the combined effects of a number of factors, including a slow-down in the growth of operating revenue and a decrease in gross profit margin. In 2013, the domestic telecommunications operators were more prudent in network construction investment in light of the progress of 4G license issuance in China. Meanwhile, operating environment of the Group was affected by factors including the change of capital expenditure (“CAPEX”) structure of telecommunications operators and the introduction of new regulatory policy initiatives in the industry. All the above factors imposed further pressure on the Group.

The Group has gradually undertaken more network construction projects after the issuance of 4G licenses and expects more business opportunities to the Group given the expected increase by telecommunications operators in the relevant CAPEX in 2014. Meanwhile, in light of the steady business development in the domestic non-operator market and overseas market, the Board is confident in the future development of the Group.

The Board would like to remind Shareholders and potential investors that, the information contained in this announcement is only based on the preliminary assessment by the management of the Company based on the management accounts of the Group, which have not been audited or reviewed by the auditors of the Company. The actual audited results of the Group for the year ended 31 December 2013 may be different from what is disclosed in this announcement. The audited annual results of the Group for the year ended 31 December 2013 are expected to be announced in March 2014.

The Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Communications Services Corporation Limited
Li Ping
Chairman

Beijing, PRC, 14 February 2014

As at the date of this announcement, our executive directors are Mr. Li Ping (Chairman) and Ms. Hou Rui (Executive Vice President and Chief Financial Officer), our non-executive directors are Mr. Li Zhengmao and Mr. Zhang Junan, and our independent non-executive directors are Mr. Wang Jun, Mr. Zhao Chunjun, Mr. Wei Leping and Mr. Siu Wai Keung, Francis.