

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**Inside Information Announcement**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

China Communications Services Corporation Limited (the “Company”) has received a notice from China Telecommunications Corporation (“China Telecom Group”), the controlling shareholder of the Company, that China Telecom Corporation Limited (stock code: 0728), a subsidiary of China Telecom Group, will jointly establish China Communications Facilities Services Corporation Limited (the “Tower Company”) as a promoter with China Mobile Communication Company Limited and China United Network Communications Corporation Limited.

Pursuant to the notice from China Telecom Group, the registered capital of the Tower Company will be RMB10.0 billion. China Mobile Communication Company Limited, China United Network Communications Corporation Limited and China Telecom Corporation Limited intend to contribute RMB4.0 billion, RMB3.01 billion and RMB2.99 billion, respectively, accounting for 40.0%, 30.1% and 29.9% in the registered capital of the Tower Company. The Tower Company will primarily engage in the construction, maintenance and operation of telecommunications towers, and will also engage in the construction, maintenance and operation of ancillary facilities such as control rooms, power supply systems and air conditioning systems of base stations, etc. and indoor distribution systems as well as the provision of outsourcing maintenance services for base station equipment.

Pursuant to the relevant arrangements for the establishment of the Tower Company, the Tower Company has indicated to the Company that:

1. on condition that it will not result in a breach by China Telecom Group and the Company of the Non-Competition Agreement signed between them, when the Tower Company invites public tender for the design, construction, supervision and maintenance of its telecommunications towers and related ancillary facilities, the Tower Company will select the Company on a preferential basis, provided that the terms are the same;
2. in the event of an injection of telecommunications assets into the Tower Company (acquisition by the Tower Company), the existing maintenance agreements entered into between the Company and the respective promoters of the Tower Company will remain valid. Upon the expiration of such maintenance agreements and when the Tower Company invites tender for the maintenance services, the Tower Company will consider the Company on a preferential basis, provided that the terms are the same; and
3. the Tower Company will not compete in contravention of the contents of the Non-Competition Agreement.

The directors (including the independent non-executive directors) of the Company believe that the establishment of the Tower Company will promote resources sharing of telecommunications infrastructure facilities among the telecommunications operators and environment protection, lower the overall investment scale and improve investment efficiency of telecommunications infrastructure facilities. The establishment of the Tower Company will also bring new business opportunities and market space for the Company. The Company will continue to proactively respond to changes in the industry and seize new business opportunities, as well as endeavour to create greater value for the shareholders of the Company.

**The shareholders of the Company 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, 11 July 2014

*As at the date of this announcement, our executive directors are Mr. Li Ping (Chairman), Mr. Si Furong (President) 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.*

*The Company would like to caution readers about the forward-looking nature of certain of the above statements. These forward-looking statements are subject to risks and uncertainties and assumptions, some of which are beyond the Company's control. In addition, these forward-looking statements reflect the Company's current views with respect to future events and are not a guarantee of future performance. The Company does not intend to update these forward-looking statements.*