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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

**WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX
FOR OVERSEAS NON-RESIDENT ENTERPRISES
IN RESPECT OF THE PROPOSED DISTRIBUTION OF 2008 FINAL DIVIDEND**

Reference is made to the announcement of annual results for the year ended 31 December 2008 of China Communications Services Corporation Limited (the “Company”) dated 2 April 2009. The board of directors (the “Board”) recommended a final dividend of RMB0.0913 per share for 2008. The dividend proposal will be submitted for approval at the annual general meeting (the “AGM”) to be held on 9 June 2009.

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (the “PRC”) and the Implementation Rules of the Enterprise Income Tax Law of the PRC (collectively, the “PRC Enterprise Income Tax Laws”), both implemented in 2008, as from 1 January 2008, any PRC domestic enterprise, which pays dividend to a non-resident enterprise shareholder (i.e. legal person shareholder), shall withhold and pay enterprise income tax for such shareholder. The withholding and payment obligation lies with the dividend payer.

The Board hereby issues this announcement reminding shareholders of the Company’s enterprise income tax withholding arrangement in respect of the proposed 2008 final dividend.

The Company’s register of members will be closed from Sunday, 10 May 2009 to Tuesday, 9 June 2009 (inclusive of both days), during which period no transfers of shares in the Company will be effected. Upon approval of the dividend proposal at the AGM, the Company will distribute the final dividend to all the shareholders whose names appear on the Company’s register of members on 9 June 2009 (the “Record Date”). In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s H shares registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, before 4:30 p.m. on Friday, 8 May 2009.

Pursuant to the PRC Enterprise Income Tax Laws, the Company shall, withhold and pay 10% enterprise income tax when the Company distributes the 2008 final dividend to non-resident enterprise shareholders (including HKSCC Nominees Limited, corporate nominees or trustees, or other organizations or entities that are considered non-resident enterprise shareholders) whose names appear on the Company's H share register of members on the Record Date. The Company will not withhold and pay enterprise income tax for any resident enterprise (as such term is defined under the PRC Enterprise Income Tax Laws, being an enterprise incorporated in the PRC in accordance with the PRC law, or an enterprise incorporated in accordance with the laws of a foreign country (region) whose actual administration organization is in the PRC) whose name appears on the Company's H share register of members, provided that such enterprise shall have lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, a legal opinion issued by a lawyer qualified to practice in the PRC (and chopped with the law firm's seal) and other related documents certifying its status as a resident enterprise, on or before 4:30 pm on Friday, 8 May 2009. For any natural person shareholders whose names appear on the Company's H share register of members on the Record Date, the Company will not withhold and pay enterprise income tax.

All investors are requested to read this announcement carefully. In the event that any shareholders of the Company need to change their names on the Company's register of members, they should consult their nominees or trustees about the relevant procedure. The Company will strictly abide by the PRC Enterprise Income Tax Laws and withhold and pay the enterprise income tax for non-resident enterprise shareholders whose names appear on the Company's register of members on the Record Date. The Company will not be responsible for and will not deal with any disputes that arise from our withholding and paying enterprise income tax for a shareholder due to the shareholder's failure in submitting documentation proof to the Company within the stated deadline.

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

Beijing, PRC, 23 April 2009

As at the date of this announcement, our executive directors are Mr. Li Ping (Chairman), Mr. Zhang Zhiyong (President) and Mr. Yuan Jianxing (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.