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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 FIRST HALF OF 2020**

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 of the Laws of Hong Kong) 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 inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Group for the six months ended 30 June 2020, the total revenue and the profit attributable to equity shareholder of the Company for the six months ended 30 June 2020 are expected to decrease as compared to the same period of last year, and such decrease is expected to be no more than 5% and 10%, respectively.

Since the outbreak of the 2019 Novel Coronavirus (the “**COVID-19**”) in 2020, the Chinese government has imposed a series of prevention measures. As most of the Group’s operations are located in China, its businesses were restricted and affected, including, among others, the progress on the project implementation and delivery was significantly delayed, some projects bidding and tender was postponed, the project verification and acceptance, completion and settlement were delayed, which resulted in a year-on-year decrease in the total revenue of the Group. Meanwhile, in respect of the prevention and control of the epidemic, the Group actively engaged in the fight against the epidemic to provide communications support for local enterprises and organizations combating at the frontline. In order to safeguard the lives and health of its employees, the Group also implemented relevant emergency management and made prompt arrangements for epidemic prevention and control measures. The various measures took by the Group during the epidemic also resulted in additional costs to the Group, which led to a further impact on its profits. While taking proactive measures to control various expenses to reduce costs, the Group also seized opportunities to actively promote the resumption of work and production when epidemic has abated, and its operating conditions improved

significantly in the second quarter as compared with the beginning of the year. Nevertheless, due to the ongoing impact brought by the epidemic, the relatively long time taken in implementing the prevention and control measures, and the short period of resumption of work and production, the Group has not yet been able to fully alleviate the impact of the epidemic for the first half of this year although its operation has been improving month over month. As of the date of this announcement, the Group has basically resumed work and production in full.

Notwithstanding the COVID-19 epidemic has brought impact and effect to the Group's daily operation and business development during the first half of this year, the Group's overall financial, business and operations remained healthy. At the same time, the COVID-19 epidemic has brought changes to the pattern of production, daily life and demand in the society and accelerated the digital transformation of the society and industries as well as the development of New Infrastructure. All of these will bring the Group with precious development opportunities, while proving and reinforcing the confidence for its development. The Group will identify the changes and respond proactively, and capture the new demands and new opportunities arising from the epidemic. By leveraging on its Cloud, IoT and Big Data platforms to forge various smart solutions, the Group will seek new opportunities from the crises and seize the huge opportunities brought by the development of New Infrastructure and 5G in China, the digital transformation of the industries and the intelligentization upgrade of the society, with a view to promoting a long-term, sustainable and healthy development of the Group and striving to create greater values for Shareholders.

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 with reference to the management accounts of the Group, which have not been audited or reviewed by the auditor of the Company and the actual results of the Group for the six months ended 30 June 2020 may be different from what is disclosed in this announcement. The unaudited interim results of the Group for the six months ended 30 June 2020 are expected to be announced by the end of August 2020.

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
Zhang Zhiyong
Chairman

Beijing, PRC
7 August 2020

As at the date of this announcement, our executive directors are Mr. Zhang Zhiyong, Mr. Si Furong and Ms. Zhang Xu, our non-executive directors are Mr. Gao Tongqing and Mr. Mai Yanzhou, and our independent non-executive directors are Mr. Siu Wai Keung, Francis, Mr. Lv Tingjie, Mr. Wu Taishi and Mr. Liu Linfei.