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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)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
PROPOSED ADOPTION OF THE RULES OF PROCEDURE FOR
THE GENERAL MEETING AND THE RULES OF PROCEDURE FOR THE BOARD**

The Board hereby proposes that the proposed amendments to the Articles of Association and the proposed adoption of the Rules of Procedure for the General Meeting and the Rules of Procedure for the Board be approved by the shareholders of the Company. The proposed amendments to the Articles of Association and the proposed adoption of the above Rules of Procedures are subject to the approval by the shareholders of the Company at the extraordinary general meeting to be held on 25 February 2022.

A notice and/or a circular of the extraordinary general meeting regarding the above matters will be dispatched to the shareholders of the Company in due course.

The board of directors (the “**Board**”) of China Communications Services Corporation Limited (the “**Company**”) hereby announces that, in order to further improve the corporate governance of the Company, the Board proposes certain amendments to the articles of association of the Company (the “**Articles of Association**”) in accordance with the relevant provisions in the *Company Law of the People's Republic of China*, the *Administrative Measures for the Formulation of Articles of Association of State-owned Enterprises* and other relevant rules and regulations. In addition, the Board also proposes to adopt the Rules of Procedure for the General Meeting of the Company (the “**Rules of Procedure for the General Meeting**”) and the Rules of Procedure for the Board of the Company (the “**Rules of Procedure for the Board**”) respectively with an aim to further enhance the standardized and effective operation of the relevant meetings.

Besides, reference is made to the announcement of the Company dated 26 November 2021 in relation to the completion of the transfer of 166,000,000 domestic shares of the Company (representing 2.40% of the total issued share capital of the Company) from China Telecommunications Corporation, the controlling shareholder of the Company, to State Grid Information & Telecommunication Technology Group Co., Ltd. Such share transfer will result in changes in shareholding structure of the Company and therefore the Company shall make amendment to Article 3.6 of the Articles of Association to reflect such change.

The full text of the proposed amendments to the Articles of Association are set out in the appendix of this announcement.

A circular containing, among other things, the details of the proposed amendments to the Articles of Association and the proposed adoption of the Rules of Procedure for the General Meeting and the Rules of Procedure for the Board, together with the notice of the extraordinary general meeting, will be dispatched to the shareholders of the Company in due course. The proposed amendments to the Articles of Association and the proposed adoption of the aforesaid Rules of Procedures are subject to the approval by the shareholders of the Company at the extraordinary general meeting to be held on 25 February 2022.

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

Beijing, PRC
24 January 2022

As at the date of this announcement, our executive directors are Mr. Huang Xiaoqing 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.

Appendix: Full text of the proposed amendments to the Articles of Association

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
1	<p>Article 1.9</p> <p>In accordance with the provisions under Company Law and the Constitution of the Communist Party of China, the Company shall establish the organization of the Communist Party of China (the “Party”), which shall undertake the function of leadership core and political core in the Company. The Company shall set up the working institution of the Party, equip it with adequate staff of party affairs and ensure its working fund.</p>	<p>Article 1.9</p> <p>In accordance with the provisions under Company Law and the Constitution of the Communist Party of China, the Company shall establish the organization of the Communist Party of China (the “Party”); <u>the Party Committee shall play a core leadership role, setting direction, managing the overall situation and ensuring the implementation, and discuss and decide on major issues of the Company in accordance with regulations.</u> The Company shall set up the working institution of the Party, equip it with adequate staff of party affairs and ensure its working fund.</p>
2	<p>Article 3.6</p> <p>.....</p> <p>The Company’s shareholding structure is as follows: the Company has 6,926,018,400 ordinary shares in issue, among which, China Telecommunications Corporation, the promoter of the Company, holds 3,559,362,496 shares, representing 51.39% of the total issued ordinary shares of the Company; each of the holders of the rest of the Domestic-Invested Shares of the Company: China Mobile Communications Group Co., Ltd., China United Network Communications Group Company Limited and China National Postal and Telecommunications Appliances Co., Ltd., holds 608,256,000 shares, 236,300,000 shares and 130,679,664 shares respectively, representing 8.78%, 3.41% and 1.89% of the total issued ordinary shares of the Company; the holders of the Overseas-Listed Foreign-Invested Shares of the Company (H Shares) hold a total of 2,391,420,240 shares, representing 34.53% of the total issued ordinary shares of the Company.</p>	<p>Article 3.6</p> <p>.....</p> <p>The Company’s shareholding structure is as follows: the Company has 6,926,018,400 ordinary shares in issue, among which, China Telecommunications Corporation, the promoter of the Company, holds <u>3,393,362,496</u> shares, representing <u>48.99%</u> of the total issued ordinary shares of the Company; each of the holders of the rest of the Domestic-Invested Shares of the Company: China Mobile Communications Group Co., Ltd., China United Network Communications Group Company Limited, <u>State Grid Information & Telecommunication Technology Group Co., Ltd.</u> and China National Postal and Telecommunications Appliances Co., Ltd., holds 608,256,000 shares, 236,300,000 shares, <u>166,000,000</u> shares and 130,679,664 shares respectively, representing 8.78%, 3.41%, <u>2.40%</u> and 1.89% of the total issued ordinary shares of the Company; the holders of the Overseas-Listed Foreign-Invested Shares of the Company (H Shares) hold a total of 2,391,420,240 shares, representing 34.53% of the total issued ordinary shares of the Company.</p>

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
3	<p>Article 8.2</p> <p>The shareholders' general meeting shall have the following functions and powers:</p> <p>(1) to decide on the Company's operational policies and investment plans;</p> <p>(2) to elect, remove and replace directors and to decide on matters relating to the remuneration of directors;</p> <p>(3) to elect and replace supervisors who represent the shareholders and to decide on matters relating to the remuneration of supervisors;</p> <p>(4) to examine and approve the board of directors' reports;</p> <p>(5) to examine and approve the supervisory committee's reports;</p> <p>(6) to examine and approve the Company's proposed preliminary and final annual financial budgets;</p> <p>(7) to examine and approve the Company's profit distribution plans and loss recovery plans;</p> <p>(8) to decide on the increase or reduction of the Company's registered capital;</p> <p>(9) to decide on matters such as merger, division, dissolution, liquidation and change of form of business of the Company;</p> <p>(10) to decide on the issue of debentures by the Company;</p> <p>(11) to decide on the appointment, dismissal and non-reappointment of the accounting firm of the Company;</p> <p>(12) to amend this Articles of Association;</p> <p>(13) to consider motions raised by shareholders who represent 3% or more of the total number of voting shares of the Company;</p>	<p>Article 8.2</p> <p>The shareholders' general meeting shall have the following functions and powers:</p> <p>(1) to decide on the Company's operational policies and investment plans;</p> <p>(2) <u>to elect and replace directors and supervisors who represent by non-employee representatives, and to decide on matters relating to the remuneration of directors and supervisors;</u></p> <p>(3) to examine and approve the board of directors' reports;</p> <p>(4) to examine and approve the supervisory committee's reports;</p> <p>(5) to examine and approve the Company's proposed preliminary and final annual financial budgets;</p> <p>(6) to examine and approve the Company's profit distribution plans and loss recovery plans;</p> <p>(7) to decide on the increase or reduction of the Company's registered capital;</p> <p>(8) to decide on matters such as merger, division, dissolution, liquidation and change of form of business of the Company;</p> <p>(9) to decide on the issue of debentures by the Company;</p> <p>(10) to decide on the appointment, dismissal and non-reappointment of the accounting firm of the Company;</p> <p>(11) to amend this Articles of Association;</p> <p>(12) to consider motions raised by shareholders who represent 3% or more of the total number of voting shares of the Company;</p> <p>(13) to decide on the repurchase of share capital of the Company;</p>

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
	<p>(14) to decide on the repurchase of share capital of the Company;</p> <p>(15) to decide on other matters which, according to law, administrative regulation or this Articles of Association, need to be approved by shareholders in general meetings;</p> <p>The shareholders in a general meeting may authorize the board of directors to carry out matters on their behalf, or may sub-delegate the carrying out of such matters to the board of directors.</p>	<p>(14) <u>to consider the purchases or sale of material assets, or guarantee of the Company within one year in which the amount exceeds 30% of the most recently audited total assets;</u></p> <p>(15) <u>to consider the external investment of the Company in which the amount of each investment exceeds 3% or more of the most recently audited total assets;</u></p> <p>(16) <u>to consider share incentive plan;</u></p> <p>(17) <u>to consider and approve connected transactions which shall be approved at the shareholder's general meeting as required by the laws, administrative regulations, departmental rules, relevant regulatory documents and the securities regulatory authorities in the place where the Company's shares are listed;</u></p> <p>(18) to decide on other matters which, according to law, administrative regulation or this Articles of Association, need to be approved by shareholders in general meetings;</p> <p>The shareholders in a general meeting may authorize the board of directors to carry out matters on their behalf, or may sub-delegate the carrying out of such matters to the board of directors.</p>
4	<p>Article 10.3</p> <p>The board of directors is accountable to the shareholders in general meeting and exercises the following functions and powers:</p> <p>(1) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders in general meetings;</p> <p>(2) to implement the resolutions passed by the shareholders in general meetings;</p> <p>(3) to determine the Company's business plans and investment proposals;</p>	<p>Article 10.3</p> <p>The board of directors <u>is responsible for formulating strategies, making decisions and preventing risks</u>, and it is accountable to the shareholders in general meeting and exercises the following functions and powers:</p> <p>(1) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders in general meetings;</p> <p>(2) to implement the resolutions passed by the shareholders in general meetings;</p> <p>(3) <u>to make decisions on the medium and long-term development of the enterprise and formulate the Company's strategies and development plans</u>, and to determine the Company's business plans and investment proposals;</p>

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
	<p>(4) to consider and approve the Company's preliminary and final annual financial budgets;</p> <p>(5) to consider and approve the Company's profit distribution proposal (including the payment of final dividend proposal) and loss recovery proposal;</p> <p>(6) to consider and approve the Company's debt and financial policies, proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures;</p> <p>(7) to draw up the Company's material acquisition and disposal proposals and plans for the merger, division, dissolution or change of form of business of the Company;</p> <p>(8) to determine the Company's internal management structure and the establishment of the Company's branch organizations;</p> <p>(9) to appoint or remove the general manager and the chief financial officer of the Company, to appoint or remove the deputy general managers and the finance director of the Company based on the recommendations of the general manager, and to decide on their remuneration;</p> <p>(10) to consider and approve the basic management system of the Company;</p> <p>(11) to consider and approve the proposals for any amendment of this Articles of Association;</p> <p>(12) to propose the appointment or removal of the Company's auditors to the general meetings of the shareholders;</p> <p>(13) except matters that the Company Law and this Articles of Association require to be resolved by the shareholders in general meeting, to decide on other important and administrative matters of the Company and to execute other important agreements;</p> <p>(14) to exercise any other powers conferred by the shareholders in general meetings and this Articles of Association.</p> <p>Other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (11) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative vote of more than half of all the directors.</p>	<p>(4) <u>to decide on the major financial matters, and to formulate</u> the Company's preliminary and final annual financial budgets;</p> <p>(5) <u>to formulate</u> the Company's profit distribution proposal (including the payment of final dividend proposal) and loss recovery proposal;</p> <p>(6) <u>to formulate</u> the Company's debt and financial policies, proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures;</p> <p>(7) to draw up the Company's material acquisition, disposal proposals, <u>share repurchase</u> and plans for the merger, division, dissolution or change of form of business of the Company;</p> <p>(8) <u>to determine the Company's internal management structure and the establishment or revocation, reorganization or conversion of its subsidiaries (branch companies), as well as the public transfer of assets and public capital injection, etc;</u></p> <p>(9) <u>to formulate the selection and appointment plans of the management; to decide on the appointment or removal of the general manager of the Company, to appoint or remove the Company's deputy general managers, financial in-charge and the general counsel based on the recommendations of the general manager; to appoint or remove the secretary of the board of directors; and to formulate the appraisal and compensation administrative measures of the management, and to determine their remuneration, rewards and penalties and to conduct performance appraisal, etc;</u></p> <p>(10) <u>to formulate</u> the basic management system of the Company;</p> <p>(11) <u>to receive work report submitted by the general manager;</u></p> <p>(12) <u>to determine the purchases or sale of material assets, or guarantee of the Company in which the amount does not exceed 30% of the total assets of the Company;</u></p>

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
		<p>(13) <u>to determine the external investment of the Company or projects that may have a significant impact on the Company, in which the amount of each investment is 0.6% or more but below 3% of the total assets of the Company;</u></p> <p>(14) <u>to approve the connected transaction that shall be approved by the board of directors in accordance with the requirements of the laws, administrative regulations, the listing rules of the stock exchange at the place where the shares of the Company are listed and the Articles of Association;</u></p> <p>(15) to consider and approve the proposals for any amendment of this Articles of Association;</p> <p>(16) to propose the appointment or removal of the Company's auditors to the general meetings of the shareholders;</p> <p>(17) except matters that the Company Law and this Articles of Association require to be resolved by the shareholders in general meeting, to decide on other important and administrative matters of the Company and to execute other important agreements;</p> <p>(18) <u>to consider and approve the material operation and management matters of the Company;</u></p> <p>(19) <u>to consider and approve the material matters relating to remuneration management, including the determination mechanism for total amount of salary, etc;</u></p> <p>(20) <u>to determine other matters that shall be decided by the board of directors as required by the laws, administrative regulations, and the listing rules of the stock exchange at the place where the shares of the Company are listed, and to exercise other powers conferred by the shareholders in general meetings and this Articles of Association.</u></p> <p><u>The board of directors shall conduct risk analysis and adopt necessary measures for risk prevention when making material operational decisions.</u> Other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (15) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative vote of more than half of all the directors.</p>

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
5	<p>Article 10.14</p> <p>The Board shall seek advice from the Party organization before determining any significant issues of the Company. In the process of appointment of senior officers of the Company by the Board, the Party organization shall consider and provide advice and suggestions on the candidates proposed by the Board or the general manager, or recommend candidates to the Board and the general manager.</p>	<p>Article 10.14</p> <p>The board of directors shall seek advice from the <u>Party Committee of the Company</u> before determining any significant issues of the Company.</p>
6	<p>Article 13.3</p> <p>The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the Company’s production, operation and management and to organize the implementation of the resolutions of the board of directors;</p> <p>(2) to organize the implementation of the Company’s annual business plan and investment proposal;</p> <p>(3) to draft plans for the establishment of the Company’s internal management structure;</p> <p>(4) to draft plans for the establishment of the Company’s branch organizations;</p> <p>(5) to draft the Company’s basic management system;</p> <p>(6) to formulate basic rules and regulations for the Company;</p> <p>(7) to propose the appointment or dismissal of the deputy general managers and financial in-charge of the Company;</p> <p>(8) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;</p> <p>(9) other powers conferred by this Articles of Association and the board of directors.</p>	<p>Article 13.3</p> <p><u>The general manager and other senior officers shall be responsible for business operation, decision implementation and management improvement.</u> The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the Company’s production, operation and management and to organize the implementation of the resolutions of the board of directors;</p> <p>(2) <u>to research, formulate and adjust the medium and long-term development strategies and plans of the Company in accordance with changes in markets and seek the approval from the board of directors pursuant to the provisions of the Articles of Association;</u></p> <p>(3) to organize the implementation of the Company’s annual business plan and investment proposal;</p> <p>(4) to draft plans for the establishment of the Company’s internal management structure;</p> <p>(5) <u>to draft plans for the establishment or revocation, reorganization or conversion of its subsidiaries (branch companies), as well as the public transfer of assets and public capital injection, etc;</u></p> <p>(6) to draft the Company’s basic management system;</p> <p>(7) to formulate basic rules and regulations for the Company;</p> <p>(8) to propose the appointment or dismissal of the deputy general managers and financial in-charge <u>and the general counsel</u> of the Company;</p> <p>(9) to appoint or dismiss <u>the relevant</u> management personnel other than those required to be appointed or dismissed by the board of directors;</p> <p>(10) other powers conferred by this Articles of Association and the board of directors.</p> <p><u>In exercising the above-mentioned powers, the general manager shall seek advice from the Party Committee of the Company in advance for those matters within the scope of major issues involving decision-making of the Party Committee of the Company.</u></p>

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
7	N/A, the clause is newly added and numbering of articles afterwards would be updated accordingly.	<p data-bbox="866 229 1225 261"><u>Chapter 16 Party Committee</u></p> <p data-bbox="866 300 1010 331"><u>Article 16.1</u></p> <p data-bbox="866 370 1497 746"><u>The Company shall establish the Party Committee consisting of one secretary and several other members. Eligible members of the Party Committee may join the board of directors, the supervisory committee and the management through legal procedures, and eligible Party members in the board of directors, the supervisory committee and the management may join the Party Committee in accordance with relevant regulations and procedures. The Company shall establish the discipline committee in accordance with relevant regulations.</u></p> <p data-bbox="866 785 1010 817"><u>Article 16.2</u></p> <p data-bbox="866 855 1497 1093"><u>The Party Committee of the Company shall perform its duties in accordance with the internal laws and regulations of the Party including the Constitution of the Communist Party of China and the Regulations on the Work at Primary-level Party Organizations of State-owned Enterprises of the Communist Party of China (Trial).</u></p> <p data-bbox="866 1132 1497 1476"><u>(1) to ensure and supervise the Company's implementation of policies and guidelines of the Communist Party of China and the State, and implement major strategic decisions of the Central Committee of the Communist Party of China and the State Council, as well as important work arrangements of the Party committee of the State-owned Assets Supervision and Administration Commission of the State Council and the Party organizations of higher levels;</u></p> <p data-bbox="866 1515 1497 1891"><u>(2) to uphold a principle combining the principle of management of cadres by the Party, the board of directors' legitimate right to appoint the management, and the management's legitimate right to staffing; to consider and opine on the candidates nominated by the board of directors or the general manager of the Company, or recommend nominees to the board of directors or the general manager of the Company; to evaluate the proposed candidates in conjunction with the board of directors, and to collectively consider and provide relevant suggestions;</u></p>

No.	Current Provisions of the Articles of Association	Proposed Amended Provisions of the Articles of Association
		<p><u>(3) to consider and discuss matters on the reform, development and stability of the Company, major operation and management matters as well as key issues involving the vital interests of employees, and provide relevant suggestions;</u></p> <p><u>(4) to take responsibility for comprehensive and strict management of the Party; to lead the ideological and political work, united front work, construction of spiritual civilization, construction of enterprise culture, and the work of the labour union, the Communist Youth League and other groups and organizations of the Company; to lead the improvement of conduct and uphold the integrity of the Party, and to support the supervision work by the discipline committee of the Party.</u></p>

In addition, due to the amendments of the content of the Articles of Association, the Company proposes to delete the marginal notes to the Articles of Association and the relevant definitions of “MP”, “APP3”, “A13D”, “LR19A”, “Zheng Jian Hai Han” and “Opinions” in Article 26.3 of the Articles of Association.

If there is any change to the article number in the Articles of Association due to the addition, deletion or re-arrangement of certain articles in the amendments of the Articles of Association, the relevant article in the revised Articles of Association shall be renumbered and the cross reference to the relevant article shall be changed accordingly.

Shareholders of the Company should be aware that the English version of the Articles of Association (and/or the proposed amendments thereto) is an approximate translation of the Chinese version of the Articles of Association and is provided for reference only. The Chinese version of the Articles of Association shall prevail in the case there are discrepancies in the translation and/or inconsistencies between the two versions.