

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Communication Telecom Services Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.



China Communication Telecom Services Company Limited

神通電信服務有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8206)

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND TO REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “Annual General Meeting”) of the Company to be held at the Meeting Room, Units 2115–2116, 21/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Friday, 15 August 2014 at 11:00 a.m. is set out on pages 17 to 21 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting (as the case may be). The completion and return of the form of proxy will not preclude you from attending, and voting at the Annual General Meeting or any adjourned meeting (as the case may be) in person if you so wish.

This circular will remain at www.hkgem.com on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at www.ccpi.com.hk.

30 June 2014

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2014 Annual Report”	the annual report of the Company for the year ended 31 March 2014
“AGM”	the annual general meeting of the Company for the financial year ended 31 March 2014 to be held at the Meeting Room, Units 2115–2116, 21/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Friday, 15 August 2014 at 11:00 a.m.
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an article of the Articles of Association
“Board”	the board of the Directors
“Company”	China Communication Telecom Services Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the GEM
“Director(s)”	the director(s) of the Company, from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the issue mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of granting of the Issue Mandate
“Latest Practicable Date”	25 June 2014, being the latest practicable date prior to the bulk print of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase Shares up to 10% of the issued share capital of the Company as at the date of granting of the Repurchase Mandate

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



China Communication Telecom Services Company Limited

神通電信服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

Executive Directors:

Mr. He Chenguang (*Chairman*)

Mr. Bao Yueqing (*Chief Executive Officer*)

Independent non-executive Directors:

Mr. Yip Tai Him

Ms. Han Liquan

Ms. Zhang Li

Registered Office:

P.O. Box 309GT, Ugland House

South Church Street

Grand Cayman

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Units 2115–2116

21/F China Merchants Tower

Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

30 June 2014

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND TO REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM. These include:

- a. the ordinary resolutions to grant general mandates to the Directors to issue and to repurchase Shares; and
- b. the ordinary resolutions to elect Directors who are due to retire and offer for re-elections at the AGM.

This circular contains further information relating to the resolutions proposed so as to enable you to make an informed decision on whether to vote for or against the resolutions proposed. A notice for convening the AGM is also set out in this circular and a form of proxy is included for your further action.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 7 August 2013, an ordinary resolution was passed by the Shareholders granting the general mandates to the Directors to issue and repurchase Shares. The refreshed general mandates will lapse at (i) the conclusion of the AGM; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association of the Company and Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates.

An ordinary resolution will be proposed at the AGM in relation to the granting of a general and unconditional Issue Mandate to the Directors to exercise the power of the Company, to allot, issue and deal with, new Shares for not exceeding 20% of the aggregate nominal amount of the issued Shares as at the date of passing the resolution (as adjusted in accordance with the resolution), for the period until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association of the Company and Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

As at the Latest Practicable Date, the Company has 1,294,697,017 Shares in issue. Subject to the passing of the resolutions for the approval of the Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot, issue and deal with, a maximum of 258,939,403 Shares.

An ordinary resolution will be proposed at the AGM in relation to the granting of a general and unconditional Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares on the GEM or on any other stock exchange on which the Shares may be listed, Shares up to 10% of the aggregate nominal amount of the issued Shares as at the date of passing the resolution, for the period until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association of the Company and Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first. The GEM Listing Rules contain a provision to regulate the repurchase by companies with a primary listing on the GEM of their own shares. In accordance with Rule 13.08 of the GEM Listing Rules, this circular contains an explanatory statement as set out in Appendix I to provide the Shareholders with the requisite information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate. For the purpose of this circular, the term “Shares” shall have the meaning ascribed thereto under the Takeovers Code which means Share of all classes and securities which carry a right to subscribe to purchase Shares.

LETTER FROM THE BOARD

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 129,469,701 Shares.

An ordinary resolution will also be proposed at the AGM in relation to the extension of the general mandate to be granted to the Directors to allot, issue, and deal with, new Shares under the Issue Mandate by adding to it the number of shares of the Company repurchased under the Repurchase Mandate, if any. The Directors have no present intention to fully exercise the Issue Mandate or the Repurchase Mandate for issuing and repurchasing the Shares respectively.

The full text of these resolutions are set out as ordinary resolutions numbers 4 to 6 in the notice of AGM on pages 17 to 21 of this circular.

PROPOSED RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprises two executive Directors, namely, Mr. He Chenguang and Mr. Bao Yueqing, and three independent non-executive Directors, namely, Mr. Yip Tai Him, Ms. Han Liqun and Ms. Zhang Li.

According to Article 96, any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board, shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

According to Article 108, one-third (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

In accordance with Article 96, Mr. Bao Yueqing, Ms. Han Liqun and Ms. Zhang Li shall retire from office at the AGM, and in accordance with Article 108, Mr. He Chenguang shall retire from office by rotation at the AGM. Being eligible, each of Mr. He Chenguang and Mr. Bao Yueqing will offer himself for re-election as executive Director; and each of Ms. Han Liqun and Ms. Zhang Li shall offer herself for re-election as independent non-executive Director.

Accordingly, at the AGM, ordinary resolutions will be proposed to re-elect Mr. He Chenguang and Mr. Bao Yueqing as executive Directors and Ms. Han Liqun and Ms. Zhang Li as independent non-executive Directors.

Pursuant to Rule 17.46A of the GEM Listing Rules, a listed issuer shall disclose the details required under Rule 17.50(2) of the GEM Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election and appointment is subject to shareholders'

LETTER FROM THE BOARD

approval at that relevant general meeting. The requisite details of the above four retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

AGM

A notice convening the AGM to be held at the Meeting Room, Units 2115–2116, 21/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Friday, 15 August 2014 at 11:00 a.m. is set out on pages 17 to 21 of this circular.

A copy of the 2014 Annual Report including, among other things, copies of the report of the Director, the report of the Auditor and the audited and consolidated financial statements of the Company for the year ended 31 March 2014, are dispatched to the Shareholders together with this circular.

In order to ascertain the entitlements to attend the AGM, the register of members of the Company will be closed from Wednesday, 13 August 2014 to Friday, 15 August 2014 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Tuesday, 12 August 2014.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

PROXY ARRANGEMENT

A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed (or a copy which has duly been certified) to the Company's Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting (as the case may be). The completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

GENERAL

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of AGM are all in the best interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of all of these resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
China Communication Telecom Services Company Limited
He Chenguang
Chairman

This explanatory statement relates to the resolution proposed to be passed at the AGM authorising the grant of the Repurchase Mandate. It contains all the information under Rule 13.08 of the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against such ordinary resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 1,294,697,017 Shares.

Subject to the passing of resolution no. 5 as set out in the notice of AGM to this circular (the “**Resolution**”) approving the Repurchase Mandate and on the basis that no Shares will be issued or repurchased after the Latest Practicable Date and up to the date of passing the Resolution, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 129,469,701 Shares (representing 10% of the issued share capital of the Company at the date of the passing of the Resolution).

2. REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares on the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and/or earnings per Share.

3. FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company’s available cash flow or working capital facilities. Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum of association of the Company and Articles of Association and the applicable laws of the Cayman Islands. Shares may only be repurchased out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purposes of repurchase. The premium, if any, payable on repurchases must have been provided for out of the profits of the Company or out of the Company’s share premium account before or at the time the shares are repurchased. The Company may not purchase Shares on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company’s audited financial statements contained in the 2014 Annual Report) in the event that the Repurchase Mandate was to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances,

have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate were to be exercised, to sell any Shares to the Group.

No connected persons (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to sell any Shares to the Company, in the event that the Repurchase Mandate is exercised.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2013		
June	0.40	0.37
July	0.39	0.37
August	0.42	0.37
September	0.55	0.39
October	0.59	0.48
November	0.61	0.50
December	0.52	0.32
2014		
January	0.44	0.33
February	0.48	0.38
March	0.56	0.45
April	0.54	0.48
May	0.57	0.51
June (up to the Latest Practicable Date)	0.58	0.50

8. CONSEQUENCES UNDER THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

If the Repurchase Mandate were exercised in full, the shareholding percentage of the substantial Shareholders (as defined under the GEM Listing Rules) (based on the number of Shares they held as at the Latest Practicable Date) before and after such repurchase would be as follows:

Substantial Shareholders	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is fully exercised
China Communication Investment Ltd. ("CCI") (Note 1)	356,542,000	27.54%	30.60%
神州通信集團有限公司 (China Communication Group Co., Ltd. [#]) ("CCC") (Note 1)	356,542,000	27.54%	30.60%
Full Ocean Development Limited (Note 2)	128,205,128	9.90%	11.00%
Mr. Jin Xian Gen (Note 2)	128,205,128	9.90%	11.00%
Amazing International Holdings Limited (Note 3)	128,205,128	9.90%	11.00%
Mr. Jin Lin Jun (Note 3)	128,205,128	9.90%	11.00%
Mr. Yang Shaoxiao (Note 4)	128,205,128	9.90%	11.00%
Ms. Jin Yan (Note 5)	107,169,128	8.28%	9.20%
Friendly Capital Limited	109,900,000	8.49%	9.43%

[#] English translation of the name is for identification purpose only

Notes:

1. CCC is deemed to be a substantial Shareholder as CCI is a wholly-owned subsidiary of CCC.
2. Mr. Jin Xian Gen is interested in 90% of the entire issued share capital of Full Ocean Development Limited and is therefore deemed to be interested in 128,205,128 shares held by Full Ocean Development Limited by virtue of the SFO.
3. Mr. Jin Lin Jun is interested in 97% of the entire issued share capital of Amazing International Holdings Limited and is therefore deemed to be interested in 128,205,128 shares held by Amazing International Holdings Limited by virtue of the SFO.
4. Mr. Jin Lin Jun has pledged his equity interest in Amazing International Holdings Limited to Mr. Yang Shaoxiao, and Mr. Yang Shaoxiao is therefore considered to have a security interest in 128,205,128 shares held by Amazing International Holdings Limited by virtue of the SFO.
5. Mr. Jin Xian Gen has pledged his equity interest in Full Ocean Development Limited to Ms. Jin Yan, and Ms. Jin Yan is therefore considered to have security interest in 107,169,128 shares held by Full Ocean Development by virtue of the SFO.

The total interests of the substantial Shareholders would be increased to about the respective percentages shown in the last column in the above table.

Save for the situation that the Repurchase Mandate were exercised in full, CCI and CCC would be interested in about 30.60% of the issued share capital of the Company and would be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code. However, the Directors have no current intention to exercise the Repurchase Mandate to such an extent as would give rise to this obligation. Save as aforesaid in this circular, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases under the Repurchase Mandate.

The Company will not repurchase Shares to the extent which would result in the percentage of the Shares held by the public Shareholders being reduced to less than 25% of the issued share capital of the Company.

9. SHARE PURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company (whether on the GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.

The following are the particulars of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the AGM:

1. Mr. He Chenguang (“Mr. He”), aged 53, an executive Director and the chairman

Mr. He joined the Group and was elected as the chairman of the Group in April 2006. Mr. He is responsible for formulating the Group’s strategy of overall business development.

Mr. He holds a professional qualification of business administration. Mr. He had extensive experience in management of major enterprises, in particular, management, operation and strategic development of telecommunication industry in the PRC. Currently, he is the chairman of the board of directors of the Company’s substantial shareholder, 神州通信集團有限公司 (China Communication Group Co., Ltd.[#]) (“CCC”), a nationwide telecom operator and internet network operator in the PRC.

Mr. He is the chairman of Professional Energy Committee of The Chinese People’s Association for Friendship with Foreign Countries, the vice president of China-Cuba Friendship Association (a friendship association with foreign countries and a national people’s organisation of the PRC which was founded in 1962). Mr. He is a part-time professor in Harbin Engineering University and University of Science and Technology Beijing. In 2011, Mr. He has also been awarded “Peaceful Development Contribution Award” jointly issued by the Chinese People’s Association for Friendship with Foreign Countries and China Friendship Foundation for Peace and Development.

Mr. He has entered into a service contract for an initial term of three years with the Company commencing from 28 April 2009 and shall renew automatically for a further term of 3 years upon its expiry unless and until terminated by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice. Mr. He is entitled to a monthly salary of HK\$150,000, which is subject to annual review and a double pay which equals to one-twelfth of annual remuneration, as may from time to time be determined by the Board with reference to the Company’s performance. In addition, Mr. He entitled to a discretionary bonus payable of such amount as the Board may determine provided that the total amount of bonus payable to all executive Directors for any financial year of the Company shall not exceed 10% of the consolidated net profit of the Group (after taxation and minority interests but before extraordinary items) as shown in its corresponding consolidated audited accounts for such year. The Director’s emoluments are determined by reference to the Company’s performance, the remuneration benchmark in the industry and the prevailing market conditions. Save for being the Director, Mr. He did not hold any directorship in any listed public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save for Mr. He being the chairman of the board of CCC, the substantial Shareholder through its wholly-owned subsidiary China Communication Investment Ltd. holding 356,542,000 Shares, Mr. He does not have any other relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. He has no interest in the Shares within the meaning of Part XV of the SFO. There is no information relating to Mr.

[#] English translation of the name is for identification purpose only

He that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

2. Mr. Bao Yueqing (“Mr. Bao”), aged 44, an executive Director and the chief executive officer

Mr. Bao joined the Group in April 2010 as an executive Director until 30 June 2011 and subsequently as a general manager of the Company in May 2012 and appointed as an executive Director in January 2014. He is responsible for the daily operation of the Group and forming and implementation of Company’s business strategies.

Mr. Bao holds a Bachelor degree of Economics Management from Heilongjiang University and has extensive experience in management of major enterprises, in particular, management, operation and strategic development of telecommunication industry in the PRC.

Mr. Bao has entered into a service contract for an initial term of three years with the Company. His employment under the service contract shall be continuous until 30 January 2017 subject to termination by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice. Mr. Bao is entitled to a monthly salary of HK\$100,000, which is subject to annual review and a double pay which equals to one-twelfth of annual remuneration, as may from time to time be determined by the Board with reference to the Company’s performance. In addition, Mr. Bao entitled to a discretionary bonus payable of such amount as the Board may determine provided that the total amount of bonus payable to all executive Directors for any financial year of the Company shall not exceed 10% of the consolidated net profit of the Group (after taxation and minority interests but before extraordinary items) as shown in its corresponding consolidated audited accounts for such year. The Director’s emoluments are determined by reference to the Company’s performance, the remuneration benchmark in the industry and the prevailing market conditions. Save for being the Director, Mr. Bao did not hold any directorship in any other listed public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Bao does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Bao is interested in 2,844,000 Shares of the Company, representing approximately 0.2% of the total issued share capital of the Company. There is no information relating to Mr. Bao that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

3. Ms. Han Liqun (“Ms. Han”), aged 60, an independent non-executive Director

Ms. Han joined the Group in January 2014. She is currently a member of each of the audit committee, remuneration committee and nomination committee of the Company. She is responsible for reviewing the Company’s annual report and accounts, half-yearly reports and quarterly reports and to provide advices and comments thereon to the Board.

Ms. Han holds a Bachelor degree of Instrumentation and Automation from Taiyuan University of Technology, a Master degree from the Institute of Computing Technology of the Chinese Academy of Sciences and a Doctorate degree of Pattern Recognition and Intelligent Systems from Beijing Institute of Technology. Ms. Han was a visiting research fellow at City University London.

Ms. Han has long been participated in the research in aspects such as artificial neural network theory and applications, pattern recognition and intelligent information processing as well as intelligent control and detection. She completed various significant scientific and technological research projects with outstanding results on pattern recognition and intelligent detection and control issues in light industry, chemical, agricultural, transportation and aerospace industries. Ms. Han also published 136 thesis and 11 books, some of which were included by various international literature institutions. Furthermore, she chaired and participated in over 20 scientific research projects, obtained 4 national invention patents and received a second prize from the first Wu Wenjun Artificial Intelligence Science Technology Awards.

Ms. Han, Beijing Outstanding Teacher, has engaged in education for more than 25 years and taught 15 courses. She has taught in Beijing Light Industry School under the Ministry of Light Industry of the PRC and Beijing Technology and Business University as the Dean, illustrating her outstanding teaching and research achievements. She chaired over 20 education reforms in the Ministry of Education of the PRC, Ministry of Light Industry, Beijing Municipal Commission of Education, etc. By virtue of her teaching results, she received a grand prize and a first prize from the Institutional Outstanding Teaching Achievement Awards and a second prize from the Beijing Teaching Achievement Awards.

Ms. Han is currently the executive vice president of Chinese Association for Artificial Intelligence, the Chairman of the Working Committee of Intelligence Products and Industry, the chairman of the Expert Committee of the Working Committee of the China Robotic Sports, the vice president of the Simulation Application Society of China Computer Users Association, the vice chairman of the Expert Committee of Life System Modeling and Simulation of China Institute of System Simulation, the member of the Expert Advisory Committee of the Chinese Association of Automation, the Deputy Director of the Editorial Board of “Computer Simulation” and the Associate Editor-in-Chief of “CAAI Transactions on Intelligent Systems”.

Ms. Han’s appointment is for one year and can be terminated by one month’s prior notice in writing served by either party. Ms. Han’s emoluments, which are determined based on the estimated time to be spent by her on the Company’s matters, are HK\$50,000 per annum. Her emoluments are determined by reference to the Company’s performance, the remuneration benchmark in the industry and the prevailing market conditions. Ms. Han does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as being the Director, Ms. Han did not hold any directorship in any other listed public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Ms. Han has no interest in Shares within the meaning of Part XV of the SFO. There is no information relating to Ms. Han

that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

4. Ms. Zhang Li (“Ms. Zhang”), aged 54, an independent non-executive Director

Ms. Zhang joined the Group in March 2014. She is currently a member of each of the audit committee, remuneration committee and nomination committee of the Company. She is responsible for reviewing the Company’s annual report and accounts, half-yearly reports and quarterly reports and to provide advices and comments thereon to the Board.

Ms. Zhang holds a Bachelor of Engineering in Solid Mechanics from the Department of Mathematics and Mechanics of Henan University of Science and Technology, China, a Master of Engineering in Mechanical Design from the Department of Mechanical Design of Henan University of Science and Technology, China, and a Doctor of Engineering in Composite Materials from the School of Material Engineering of Wuhan University of Technology, China. Ms. Zhang is currently a professor at the School of Material and Mechanical Engineering of Beijing Technology and Business University, China, instructing the graduates and doctoral students. She was also the dean of the School of Mechanical Automation, the dean of the School of Mechanical Engineering and the deputy director of the Office of Evaluation and Construction for Undergraduate Assessment of Beijing Technology and Business University. Since 2007, Ms. Zhang has been to Canada, Singapore, the United States, the United Kingdom, Australia and other countries for academic exchanges and visits.

Ms. Zhang’s expertise is in the study of mechanical automation and composite materials. Ms. Zhang has outstanding achievements in education and scientific research. Ms. Zhang focuses on the study of mechanical design and mechanics of composite materials, and engages in the design, manufacture and application of advanced composite material components as well as computer-aided engineering. She has chaired or participated in over 30 projects, such as “Research of Thermal Dynamic Performance of Composite Engines” by National Natural Science Foundation of China, National Science and Technology Support Program, the science and technology development project of “Research of Dynamic Performance of Composite Flywheels” by Beijing Municipal Commission of Education, talent training funded projects in Beijing and enterprise service projects. Ms. Zhang has published over 100 academic papers, some of which were included by various international literature institutions. She published 16 books, translations and textbooks and 1 Beijing quality textbook.

Ms. Zhang, an Outstanding Teacher, has engaged in education for more than 32 years. She was awarded the title of National Excellent Teacher, Top Creative Talent in Beijing Universities and the award of Top Teacher in Beijing Universities. She has also been merited as the Backbone Teacher of Mechanical Engineering across the century. Ms. Zhang served as the leader of Beijing Academic Innovation Team and won the First Class Award for School Education and Teaching Achievement. She was responsible for the completion of the Country’s “10th five-year” key planning issues for tertiary education “Research on the education reform of new international division for electrical and mechanical engineering” and the Beijing

education reform project “Improvement, reform and discussion on the education system, methodology and contents of engineering mechanics”. She was also funded by the Beijing inter-organisational talent project.

Ms. Zhang’s appointment is for one year and can be terminated by one month’s prior notice in writing served by either party. Ms. Zhang’s emoluments, which are determined based on the estimated time to be spent by her on the Company’s matters, are HK\$50,000 per annum. Her emoluments are determined by reference to the Company’s performance, the remuneration benchmark in the industry and the prevailing market conditions. Ms. Zhang does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as being the Director, Ms. Zhang did not hold any directorship in any other listed public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Ms. Zhang has no interest in Shares within the meaning of Part XV of the SFO. There is no information relating to Ms. Zhang that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

NOTICE OF ANNUAL GENERAL MEETING



China Communication Telecom Services Company Limited

神通電信服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of China Communication Telecom Services Company Limited (the “**Company**”) will be held at the Meeting Room, Units 2115–2116, 21/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong, on Friday, 15 August 2014 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. to receive, consider and adopt the audited financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 March 2014;
2.
 - (a) to re-elect Mr. He Chenguang as an executive Director;
 - (b) to re-elect Mr. Bao Yueqing as an executive Director;
 - (c) to re-elect Ms. Han Liquan as an independent non-executive Director;
 - (d) to re-elect Ms. Zhang Li as an independent non-executive Director; and
 - (e) to authorise the board of Directors to fix the Directors’ remuneration.
3. to re-appoint RSM Nelson Wheeler, as the auditor of the Company and to authorise the board of Directors to fix their remuneration;
4. as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

“**THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rule (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.01 each (the “**Shares**”) in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise then pursuant to (i) a Right Issue (as defined below) or (ii) the grant or exercise of any options under the existing and the new share option scheme of the Company; or (iii) any scrip dividends or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles (the “**Articles of Association**”) of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of (i) 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution; and (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the AGM), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving right to subscribe for Shares open for a period fixed by the Company or the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by The Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”), and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, or of any such other stock exchange from time to time and all applicable laws and regulations in this regards, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon resolution nos. 4 and 5 above being duly passed in the AGM, the aggregate nominal amount of the number of shares in the share capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 5 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 4 above.”

By Order of the Board
China Communication Telecom Services Company Limited
He Chenguang
Chairman

Hong Kong, 30 June 2014

Head Office and Principal Place of Business:

Units 2115–2116
21/F China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Registered Office:

P.O. Box 309GT, Ugland House
South Church Street
Grand Cayman
Cayman Islands

Notes:

1. Any member entitled to attend and vote at the AGM shall be entitled to appoint another person as his/her/its proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his/her/its stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it to vote on his/her/its behalf at the above meeting. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed (or a copy which has duly been certified) to the Company's Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the above meeting or any adjourned meeting (as the case may be).
3. The register of members of the Company will be closed from Wednesday, 13 August 2014 to Friday, 15 August 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the AGM, all transfer accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 12 August 2014.
4. Delivery of a form of proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the form of proxy shall be deemed to be revoked.

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5. In relation to proposed resolution no. 2 above, Mr. He Chenguang will retire by rotation, and Mr. Bao Yueqing, Ms. Han Liqun and Ms. Zhang Li will retire from office and, being eligible, offer themselves for re-election at the AGM pursuant to the articles of association of the Company. Further details of them are set out in Appendix II to this circular.
6. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Rules Governing the Listing of Securities on the GEM Listing Rules. The Directors have no immediate plans to issue new Shares other than the Shares which may fall to be issued under the existing share option scheme of the Company or any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of whole or part of a dividend which may be approved by shareholders of the Company.
7. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.
8. The above resolutions will be put to vote at the AGM by way of poll.