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*Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 13 June 2005 (the "**Prospectus**") issued by the Company.*

交通銀行
BANK OF COMMUNICATIONS

交通銀行股份有限公司

Bank of Communications Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3328)

EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option mentioned in the Prospectus was exercised in full by the Joint Global Coordinators on behalf of the International Purchasers on 4 July 2005 in respect of an aggregate of 878,344,000 H Shares, representing approximately 15% of the initial size of the Global Offering. Out of the 878,344,000 H Shares, 174,791,000 H Shares will be issued to HSBC pursuant to its exercise of its right under the Investor Rights Agreement to subscribe for additional H Shares so as to maintain its percentage interest in our Company at 19.90%. The said 878,344,000 H Shares will be issued and allotted by the Company at HK$2.50 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.005%, investor compensation levy of 0.002% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Hong Kong Public Offering and the International Offering.

The Company announces that the Over-allotment Option mentioned in the Prospectus was exercised in full by the Joint Global Coordinators on behalf of the International Purchasers on 4 July 2005 in respect of an aggregate of 878,344,000 H Shares (the "**Over-allotment Shares**"), representing approximately 15% of the initial size of the Global Offering. Out of the Over-allotment Shares, 174,791,000 H Shares will be issued to HSBC pursuant to its exercise of its right under the Investor Rights Agreement to subscribe for additional H Shares so as to maintain its percentage interest in our Company at 19.90%. The Over-allotment Shares will be issued and allotted by the Company at HK$2.50 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.005%, investor compensation levy of 0.002% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Hong Kong Public Offering and the International Offering. The Over-allotment Shares will be used solely to cover over-allocations in the International Offering. Immediately after the issuance and allotment of the Over-allotment Shares, approximately 18.33% of the issued share capital of the Company will be held in public hands.

Listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:30 a.m. on 6 July 2005.

The shareholding structure of the Company immediately before and immediately after the issue by the Company of the Over-allotment Shares are as follows:

	Immediately before the issue of the Over-allotment Shares		Immediately after the issue of the Over-allotment Shares	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's enlarged issued share capital
Domestic Shares in issue	22,739,565,080	50.62%	22,739,565,080	49.65%
H Shares offered under the Global Offering and converted from Domestic Shares	22,186,124,136	49.38%	23,064,468,136	50.35%
Total number of Shares	44,925,689,216	100.0%	45,804,033,216	100.0%

The net proceeds of approximately HK$2,129.72 million from the issue of 878,344,000 H Shares by the Company pursuant to the exercise of the Over-allotment Option will be used by the Company for the same purposes as set out in the section headed "Future plans and use of proceeds from the Global Offering" in the Prospectus.

By Order of the Board
Jiang Chaoliang
Chairman of the Board

Hong Kong, 5 July 2005

As at the date of this announcement, the directors of the Company are Mr. Jiang Chaoliang, Mr. Zhang Jianguo, Mr. Qiao Wei, Mr. Li Jun, Mr. Zhang Jixiang, Mr. Hu Huating*, Mr. Or Ching Fai*, Mr. William Fung Kwok Lun*, Mr. Li Keping*, Mr. Li Zexing*, Mr. Gao Shiqing*, Mr. Shen Weiming*, Mr. Li Guanglin*, Mr. Li Ruge*, Mr. Xie Qingjian#, Mr. Ian Ramsay Wilson#, Mr. Thomas Joseph Manning#, Mr. Hui Ho Ming Herbert# and Mr. Chen Qingtai#.*

* *Non-executive directors*

\# *Independent non-executive directors*

"Please also refer to the published version of this announcement in the South China Morning Post"