

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



YOUR WEALTH MANAGEMENT BANK

交通銀行股份有限公司 **Bank of Communications Co., Ltd.**

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 03328)

OPINIONS OF INDEPENDENT DIRECTORS OF BANK OF COMMUNICATIONS CO., LTD. ON ISSUANCE OF PREFERENCE SHARES

Bank of Communications Co., Ltd. hereby sets out the Opinions of Independent Directors of Bank of Communications Co., Ltd. on Issuance of Preference Shares, for reference only.

By order of the board of
Bank of Communications Co., Ltd.
Du Jianglong
Company Secretary

Shanghai, the PRC
26 March 2015

As at the date of this announcement, the directors of the Bank are Mr. Niu Ximing, Mr. Peng Chun, Ms. Yu Yali, Mr. Hu Huating, Mr. Wang Taiyin*, Mr. Liu Changshun*, Mr. Wong Tung Shun, Peter*, Mr. Ma Qiang*, Mr. Lei Jun*, Ms. Zhang Yuxia*, Mr. Peter Hugh Nolan#, Mr. Chen Zhiwu#, Mr. Choi Yiu-kwan#, Mr. Yu Yongshun#, Ms. Li Jian# and Mr. Liu Li#.*

* *Non-executive directors*

Independent non-executive directors

**OPINIONS OF INDEPENDENT DIRECTORS OF
BANK OF COMMUNICATIONS CO., LTD.
ON ISSUANCE OF PREFERENCE SHARES**

The twelfth meeting (the “**Board Meeting**”) of the seventh session of the Board of Directors of Bank of Communications Co., Ltd. (the “**Bank**”) was held on 26 March 2015, at which the *Proposal in Respect of the Plan for Non-public Issuance of Domestic Preference Shares by Bank of Communications Co., Ltd.*, the *Proposal in Respect of the Plan for Non-public Issuance of Offshore Preference Shares by Bank of Communications Co., Ltd.* and other relevant proposals (collectively the “**Proposals**”) were considered. The Bank proposes to issue, on a non-public basis, domestic preference shares of not more than RMB45 billion and offshore preference shares of not more than RMB15 billion (or its equivalent), respectively (the “**Issuance**”).

According to the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Guidance Opinion of the State Council on the Launch of Preference Shares Pilot Scheme*, the *Trial Administrative Measures on Preference Shares*, the *Measures on Capital Management of Commercial Banks (Trial)*, the *Guidance Opinion on the Establishment of an Independent Directors System by Listed Companies*, the *Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Supplementing Tier-1 Capital*, and the *Stock Listing Rules of the Shanghai Stock Exchange* and other laws, regulations and regulating documents, as well as the *Articles of Association of Bank of Communications Co., Ltd.* (the “**Articles**”) and the *Working Rules of the Independent Directors of Bank of Communications Co., Ltd.*, we, the Bank’s independent directors and exercising our independent judgment, have carefully reviewed the Proposals relating to this Issuance which are intended to be submitted to the shareholders’ general meeting for consideration, and hereby issue the following special opinions on issues relating to this Issuance:

- 1 The Issuance is in compliance with the provisions of relevant laws, regulations and the Articles. Upon completion of the Issuance, the proceeds of the Issuance, after deducting any issuing expenses, will be used to replenish the Additional Tier-1 Capital of the Bank. After the Issuance, the capital strength and capital structure of the Bank will be further improved and optimised, which shall be beneficial to the sustainable and stable development of the Bank and is in the interest of the Bank and all of its shareholders.
- 2 Under normal circumstances, the preference shareholders from the Issuance are not entitled to attend at any shareholders’ general meeting and the preference shares held by them shall not have any voting rights. However, if any special circumstances as provided by laws, regulations or the Proposals occur, the preference shareholders shall be entitled to attend a shareholders’ general meeting and vote as a separate class from the ordinary shareholders, and matters to be considered shall be approved by more than two-thirds of votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two-thirds of votes held by preference shareholders present at the meeting (excluding preference shareholders with restored voting rights). Upon restoration of the voting rights of preference shareholders, each preference shareholder shall be entitled to a certain proportion of voting rights as agreed in the Proposals and, on the basis of such proportion of voting rights,

each preference shareholder may exercise their voting rights at a shareholders' general meeting together with ordinary shareholders. The above special circumstances will affect the voting rights of the existing ordinary shareholders to a certain extent, but the calculation method for the restoration of voting rights will remain fair and reasonable to the existing ordinary shareholders.

- 3 Pursuant to the requirements of the China Banking Regulatory Commission and the issuance plans for Preference Shares, if the mandatory conversion conditions are triggered after the preference shares have been issued and the conversion effected, the ordinary share capital of the Bank will increase accordingly and the rights and interests of the existing ordinary shareholders will be affected to a certain extent.
- 4 After the issuance of preference shares, the dividends on the preference shares may affect the after-tax net profit of the Bank attributable to ordinary shareholders and may as a result reduce the dividends distributable to ordinary shareholders by the Bank. On the basis that the current capital management efficiency is maintained, the Bank will use the proceeds raised to support all principal businesses to generate leverage to further enhance the income and net profitability levels of the Banks' principal businesses, achieve a reasonable level of return on capital and support the sound and continued development of all its businesses.
- 5 The convening, holding and voting procedures of this Board Meeting conform to the requirements of the relevant laws, regulations, regulating documents and the Articles and the resolutions of this Board Meeting are lawful and valid. According to the Articles, the Proposals in relation to the Issuance shall be submitted to the shareholders' general meeting of the Bank for consideration and approval item by item and shall be approved by more than two-thirds of the votes held by shareholders (including their proxies) present at the meeting. The legitimate rights and interests of the minority shareholders shall be fully respected and protected through the above process.

In summary, the Issuance is in the interests of the Bank and its shareholders as a whole and there are no circumstances that may prejudice the interests of the Bank and its shareholders. Therefore, all independent directors of the Bank hereby consent to the arrangements relating to the Issuance.

Independent Directors of Bank of Communications Co., Ltd.:
Peter Hugh Nolan, Chen Zhiwu, Choi Yiu-kwan, Yu Yongshun, Li Jian and Liu Li

26 March 2015