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始于1908 您的财富管理银行

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)

NEW ISSUE OF U.S.\$2,450,000,000 5.00% NON-CUMULATIVE PERPETUAL OFFSHORE PREFERENCE SHARES

(Stock Code: 4605)

Joint Global Coordinators

Bank of Communications Co., Ltd.
Hong Kong Branch

BOCOM
International

Deutsche Bank

HSBC

Joint Bookrunners and Joint Lead Managers

Bank of Communications Co., Ltd.
Hong Kong Branch

BOCOM
International

Deutsche Bank

HSBC

CITIC CLSA Securities

CCB International

Goldman Sachs

Citigroup

J.P. Morgan

COMPLETION OF ISSUANCE OF OFFSHORE PREFERENCE SHARES

Pursuant to the approvals by the China Banking Regulatory Commission (the “**CBRC**”) and the China Securities Regulatory Commission (the “**CSRC**”) in relation to offshore preference shares proposed to be issued by Bank of Communications Co., Ltd. (the “**Bank**”), the Bank has entered into the subscription agreement on 22 July 2015 with the Joint Global Coordinators, the Placing Managers and the Subscribing Managers (the “**Subscription Agreement**”) in relation to the issuance of the U.S.\$2,450,000,000 5.00% Non-Cumulative Perpetual Offshore Preference Shares (the “**Offshore Preference Shares**”). The Offshore Preference Shares have a par value of RMB100 each but will be issued fully paid in U.S. dollars and the total paid up amount of the Offshore Preference Shares will be U.S.\$20 each. The Offshore Preference Shares will be issued in registered form and issued only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof. Please refer to the announcement of the Bank dated 23 July 2015 for further details of the Subscription Agreement and the Offshore Preference Shares (the “**Announcement**”). Capitalised terms used herein but not otherwise defined shall have the same meaning given to them in the Announcement.

An application has been made to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted the approval for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares. The Offshore Preference Shares are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors. There are restrictions on the offer and sale of the Offshore Preference Shares in certain jurisdictions including, but not limited to, Hong Kong, the United States, the PRC, the United Kingdom, the European Economic Area, Singapore and Japan. The Offshore Preference Shares and the H Shares issuable upon Conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares are not allowed to be offered or sold in the United States, except those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act is not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S. In addition, the Offshore Preference Shares are not intended to be sold and should not be sold to retail clients in the European Economic Area, as defined in the rules set out in the Temporary Marketing Restriction (Contingent Convertible Securities) Instrument 2014 or, as applicable, the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (both as amended or replaced from time to time) other than in circumstances that do not and will not give rise to a contravention of those rules by any person.

The issuance of Offshore Preference Shares has been completed on 29 July 2015. The listing of the Offshore Preference Shares on the Hong Kong Stock Exchange is expected to become effective on 30 July 2015.

The gross proceeds from the offering of the Offshore Preference Shares will be U.S.\$2.45 billion. Subject to applicable laws and regulations and the approvals by the relevant regulatory authorities such as the CBRC and the CSRC, the capital raised from the Offshore Preference Shares issuance, after deduction of the expenses relating to the issuance, will be used to replenish the Bank's Additional Tier 1 Capital.

IMPACT ON THE BANK'S SHARE CAPITAL

As set out in the Announcement, if there is no Trigger Event for Conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Bank. However, if Conversion is triggered, the Bank's ordinary share capital will be increased.

Assuming that an issue size equivalent to RMB15 billion of Offshore Preference Shares as approved by the Shareholders Resolutions were issued, and the simulated Conversion Price of the Conversion and voting right recovery were the average trading price of the H Shares of the Bank for the 20 trading days preceding the publication of the Board resolution approving the issuance of Offshore Preference Shares (being the total trading value of the H Shares of the Bank for such 20 preceding trading days divided by the total trading volume of the H Shares for the same 20 trading days, i.e. HK\$6.51 per share (equivalent to approximately RMB5.15481 per share, using the exchange rate as at 25 March 2015 of RMB0.79183 to HK\$1.00)) and assuming all the Offshore Preference Shares were subject to Conversion, the number of H Shares issued upon Conversion of the Offshore Preference Shares would not exceed 2,909,901,702 H Shares. For illustrative purposes only, the table below sets forth the impact on the Bank's share capital structure if all the Offshore Preference Shares under the proposed issuance were converted into H Shares pursuant to the Conversion:

Share Capital	As at 31 March 2015		After Conversion of all the Offshore Preference Shares	
	Shares (millions)	Percentage of share capital (%)	Shares (millions)	Percentage of share capital (%)
A Share	39,251	52.85	39,251	50.86
H Share	<u>35,012</u>	<u>47.15</u>	<u>37,922</u>	<u>49.14</u>
Total	<u><u>74,263</u></u>	<u><u>100.00</u></u>	<u><u>77,173</u></u>	<u><u>100.00</u></u>

Please note that the number of H Shares after Conversion of all the Offshore Preference Shares shall be 37,922 million instead of 27,922 million as set out in the English version of the Announcement.

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

Shanghai, the PRC
29 July 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