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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, 4605 (Preference Shares))

ANNOUNCEMENT OF THE RESOLUTIONS OF THE BOARD OF DIRECTORS IN RELATION TO THE PROPOSED OVERSEAS LISTING OF BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

The board of directors (the “**Board**”) of Bank of Communications Co., Ltd. (the “**Bank**”) is pleased to announce that at the third meeting of the eighth session of the Board held on 25 August 2016, the Board considered and approved, the relevant resolutions in relation to the proposed overseas listing of BOCOM International Holdings Company Limited (“**BOCOM International**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

I. Proposal in Relation to the Plan and Relevant Authorization of the Overseas Listing of BOCOM International

The following plan and authorization of the listing of BOCOM International, a wholly-owned subsidiary of the Bank, on the Hong Kong Stock Exchange was approved:

(1) **Issuer:** BOCOM International.

- (2) **Offering structure:** The proposed initial public offering (the “**IPO**”) of BOCOM International includes: (i) Hong Kong public offering, representing 10% of the initially proposed issue size (subject to clawback mechanism pursuant to applicable rules under the Hong Kong Listing Rules or any waiver therefrom if obtained from the Hong Kong Stock Exchange), and (ii) international offering, representing 90% of the initially proposed issue size (subject to over-allotment option and clawback mechanism pursuant to applicable Hong Kong Listing Rules or any waiver obtained from the Hong Kong Stock Exchange), which may include the assured entitlement to existing shareholders of the Bank pursuant to applicable Hong Kong Listing Rules (subject to shareholders’ approval or waiver from the Hong Kong Stock Exchange).
- (3) **Place of listing:** The Main Board of the Hong Kong Stock Exchange.
- (4) **Size of issuance:** The IPO size will not exceed approximately 28% of the enlarged share capital (after any exercise of the over-allotment option in full).
- (5) **Timing of the IPO:** The timing of the IPO will be determined after taking into account factors such as overseas capital market conditions and approval progress.
- (6) **Use of IPO proceeds:** To develop investment banking business, securities brokerage, asset management, investment and financing and other businesses.

Following the spin-off and overseas listing of BOCOM International, the Bank will retain a substantial majority shareholding in BOCOM International, which will remain as a subsidiary of the Bank.

The authorization in relation to the spin-off and overseas listing of BOCOM International is as follows:

Authorization is proposed to be granted by the Shareholders’ Meeting to the Board and to be delegated from the Board to the President of the Bank or its authorized representative(s), in dealing with matters under the framework and principles of the overseas listing plan of BOCOM International to be approved by the Shareholders’ Meeting, at its full discretion, regarding the spin-off and overseas listing of BOCOM International, including but not limited to:

- (1) To exercise the shareholders’ right over BOCOM International on behalf of the Bank, to make relevant resolution(s) and decision(s) in relation to the spin-off and overseas listing of BOCOM International (except for matters that are required to be resolved by the Shareholders’ Meeting pursuant to the laws and regulations).
- (2) To make and implement the specific plan of the spin-off and overseas listing of BOCOM International, including but not limited to determining the offering structure, size of issuance and IPO timing; and to make necessary and proper adjustment to the relevant matters in relation to the spin-off and overseas listing plan of BOCOM International and contents thereof based on the changes in laws and regulations, requirements and opinions

of relevant regulatory authorities and stock exchanges and the specific market conditions (except for matters that are required to be resolved by the Shareholders' Meeting pursuant to the laws and regulations).

- (3) To submit the application for the spin-off and overseas listing of BOCOM International to the Hong Kong Stock Exchange and relevant applications to relevant regulatory authorities including the China Banking Regulatory Commission and the China Securities Regulatory Commission and to deal with related matters.
- (4) To revise, sign, deliver, receive, disclose and execute any agreements, contracts, undertakings and legal documents of the Bank in relation to the spin-off and overseas listing of BOCOM International.
- (5) To deal with other necessary matters of the Bank in connection with the spin-off and overseas listing of BOCOM International.

The abovementioned resolution is valid for 18 months from the date on which the proposal is considered and approved by the Shareholders' Meeting.

The proposal relating to the spin-off and overseas listing of BOCOM International is subject to the approval of the Hong Kong Stock Exchange and other relevant regulatory authorities.

II. Proposal in Relation to the Compliance of the Overseas Listing of BOCOM International with the Circular on Issues in Relation to Regulating Overseas Listing of Subsidiaries of Domestic Listed Companies

The overseas listing of BOCOM International is in compliance with the relevant regulatory requirements set out under the Circular on Issues in Relation to Regulating Overseas Listing of Subsidiaries of Domestic Listed Companies (Zheng Jian Fa [2004] No.67) (the “**Circular**”). The Bank, as the controlling shareholder of BOCOM International, complies with the following conditions under Article 2 of the Circular:

- (1) The Bank has been profitable in the latest three consecutive years.
- (2) Since January 2013, the Bank has not used the business and assets in which the Bank has invested with proceeds from share issues or fundraisings within the latest three financial years as capital contribution to BOCOM International for the purpose of applying for overseas listing.
- (3) According to the audited consolidated financial statements of BOCOM International for 2015, the net profits of BOCOM International which the Bank is entitled to according to the equity interests in the audited consolidated financial statements for 2015 do not exceed 50% of the Bank's net profits in its audited consolidated financial statements for 2015.

- (4) According to the audited consolidated financial statements of BOCOM International for 2015, the net assets of BOCOM International which the Bank is entitled to according to the equity interests in the audited consolidated financial statements for 2015 do not exceed 30% of the Bank's net assets in its audited consolidated financial statements for 2015.
- (5) There is no competition within the same industry between the Bank and BOCOM International, and they are independent from each other in assets and finance, and have no overlapping management.
- (6) The directors and senior management of the Bank and its subsidiaries and their affiliated persons do not hold shares of BOCOM International, or do not hold shares exceeding 10% of the total share capital of BOCOM International prior to the overseas listing.
- (7) The funds or assets of the Bank are not in the possession of the individual, legal person or other organization and their related parties which have the actual controlling power over the Bank, and there are no major connected transactions that would prejudice the interests of the Bank.
- (8) The Bank has no acts of major violations of laws or regulations in the latest three years.

In conclusion, the overseas listing of BOCOM International, a subsidiary of the Bank, complies with the relevant provisions under the Circular.

III. Proposal in Relation to the Undertaking of Maintaining Independent Listing Status of the Bank

The Bank and BOCOM International are independent from each other in the aspects of staff, asset, finance, institution, business and others. They have independent accounting systems and will independently undertake liabilities and risks.

The overseas listing of BOCOM International will have no adverse impact on the sustainable operation of other business segments of the Bank, neither will it affect the Bank in maintaining its independent listing status, which is in compliance with applicable laws, regulations, rules and regulatory documents as well as the requirements prescribed in the Circular.

IV. Proposal in Relation to the Description of the Sustainable Profitability and Prospects of the Bank

Each business of the Bank has maintained excellent momentum at present as BOCOM International and its subsidiaries maintain a high degree of business independence from the other business segments of the Bank. The overseas listing of BOCOM International will have no material impact on the sustainable operation of other business segments of the Bank. Through the spin-off and overseas listing, BOCOM International will further grow rapidly and its income and profits will be reflected in the accounts of the Bank, which will improve the overall financial performance of the Bank. In addition, the overseas listing of BOCOM International will facilitate the transformation and development of the Bank, further consolidate the core competitiveness of the Bank and promote its sustainable development.

In conclusion, upon the overseas listing of BOCOM International, the Bank is able to continue and maintain a better and more sustainable operation and profitability.

V. Proposal Regarding the Provision of Assured Entitlement to H-share Shareholders of the Bank Only for the Spin-off and Overseas Listing of BOCOM International

Regarding the spin-off and overseas listing of BOCOM International, pursuant to the requirements under Practice Note 15 of the Hong Kong Listing Rules (the “**Practice Note 15**”), the Bank shall have due regard to the interests of its existing shareholders by way of providing the existing shareholders with an assured entitlement to the new shares in BOCOM International. Due to the impediments arising from legal and policy perspectives for providing the existing A-share shareholders of the Bank with an assured entitlement to the new shares in BOCOM International, the Bank is only able to provide the assured entitlement to H-share shareholders of the Bank in order to comply with the requirements under Practice Note 15.

General Information

The first four abovementioned proposals will be submitted for consideration and approval at the 2016 first extraordinary general meeting (the “**EGM**”) of the Bank. The fifth proposal will be submitted for consideration and approval at the EGM, the 2016 First A Shareholders Class Meeting and the 2016 First H Shareholders Class Meeting of the Bank. The Bank will publish the circular and further announcement(s) regarding the above proposals in due course.

Shareholders and potential investors of the Bank are advised that the spin-off and overseas listing of BOCOM International is subject to the approval of the shareholders of the Bank, the approval of the Hong Kong Stock Exchange and other relevant regulatory authorities, the final decision of the Board and of the board of directors of BOCOM International, market conditions and other factors. Accordingly, there is no assurance that the spin-off and overseas listing of BOCOM International will take place or as to when it may take place. Shareholders and potential investors of the Bank should therefore exercise caution when dealing in the securities of the Bank.

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

Shanghai, PRC
25 August 2016

As at the date of this announcement, the directors of the Bank are Mr. Niu Ximing, Mr. Peng Chun, Ms. Yu Yali, Mr. Hou Weidong, Mr. Hu Huating, Mr. Wang Taiyin*, Mr. Liu Changshun*, Mr. Wong Tung Shun, Peter*, Ms. Wong Pik Kuen, Helen*, 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