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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 Share))

INSIDE INFORMATION PROPOSED QUOTATION OF SHIHEZI BOCOM RURAL BANK ON THE NATIONAL EQUITIES EXCHANGE AND QUOTATIONS SYSTEM

This announcement is made by Bank of Communications Co., Ltd. (the “**Bank**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Bank is pleased to announce that on 25 August 2016, the Board approved the proposed application for quotation and open transfer of the shares of Xinjiang Shihezi BoCOM Rural Bank Ltd.* (新疆石河子交银村镇银行股份有限公司) (“**Shihezi BoCOM Rural Bank**”), a non-wholly owned subsidiary of the Bank, on the National Equities Exchange and Quotations* (全國中小企業股份轉讓系統) (the “**NEEQ**”) in the People's Republic of China (the “**PRC**”) (the “**Proposed Quotation**”). The NEEQ, also known as the “New Third Board”, is a national over-the-counter market in the PRC regulated by China Securities Regulatory Commission, and managed by National Equities Exchange and Quotations Co. Ltd.* (全國中小企業股份轉讓系統有限責任公司) (“**NEEQ Co. Ltd.**”), and serves as a platform for the sale of existing shares or directed share placing for small and medium-sized enterprises.

Shihezi BoCom Rural Bank is a company incorporated in the PRC which principally engages in absorbing public savings, issuing short-term, medium-term and long-term loans, domestic settlement, bill acceptance and discount, interbank borrowing, bank card services, agency issuance, agency cashing and underwriting of government bonds, agency collection and payment and agency insurance business, as well as other business approved by relevant banking regulatory institutions of the State Council in Shihezi area, Xinjiang. As at the date of this announcement, the Bank holds 51% equity interest in Shihezi BoCOM Rural Bank.

The Bank believes that the Proposed Quotation will better position both the Bank and Shihezi BoCom Rural Bank for their future development, will be conducive to promote the brand image of Shihezi BoCom Rural Bank, enhance its share liquidity and obtain reasonable market valuation.

The Proposed Quotation does not involve any issue of new shares by Shihezi BoCOM Rural Bank, the shareholding structure of Shihezi BoCOM Rural Bank will remain unchanged immediately upon the completion of the Proposed Quotation. As the Proposed Quotation involves a separate listing of assets within the Group, the Bank will submit an application in relation to the Proposed Quotation to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for approval pursuant to Practice Note 15 of the Listing Rules. The implementation of the Proposed Quotation will be subject to, among other things, approvals from domestic regulatory institutions, the Hong Kong Stock Exchange and the NEEQ Co. Ltd.

Upon being considered and approved by the Board on 25 August 2016, the Board agreed to authorise the President of the Bank or his authorized person to promote the implementation of the Proposed Quotation, to communicate with the Hong Kong Stock Exchange on behalf of the Bank regarding the spin-off application involved in the Proposed Quotation and make application(s) related thereto, and deal with other matters in relation to the Proposed Quotation on his/her sole discretion.

Shareholders and potential investors of the Bank should note that there is no assurance as to whether or when the Proposed Quotation will proceed. As the Proposed Quotation may or may not proceed, shareholders and potential investors of the Bank are advised to exercise caution when dealing in the securities of the Bank.

The Bank will make further announcement(s) in relation to the Potential Quotation as and when appropriate pursuant to the Listing Rules.

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

Shanghai, the 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