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Postal Savings Bank of China Co., Ltd.
中國郵政儲蓄銀行股份有限公司

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

(Stock code: 1658)

ANNOUNCEMENT

COMPLETION OF THE ISSUE OF TIER 2 CAPITAL BONDS

Reference is made to the prospectus dated September 14, 2016 (the “**Prospectus**”) and the announcement on the completion of the issue of tier 2 capital bonds dated October 28, 2016 (the “**Announcement on the Issue of Tier 2 Capital Bonds**”) of Postal Savings Bank of China Co., Ltd. (the “**Bank**”). As disclosed in the Prospectus, in June and September 2016, the China Banking Regulatory Commission (the “**CBRC**”) and the People's Bank of China approved that the Bank may issue tier 2 capital bonds in an aggregate principal amount of up to RMB50 billion, respectively. As disclosed in the Announcement on the Issue of Tier 2 Capital Bonds, the Bank has completed the issue of tier 2 capital bonds in an aggregate amount of RMB30 billion within the quota in the national inter-bank bond market on October 28, 2016.

The Bank completed the issue of tier 2 capital bonds in an aggregate amount of RMB20 billion in the national inter-bank bond market on March 24, 2017 within the quota (the “**Bond**”). The Bond is a 10-year fixed rate bond with coupon rate of 4.5% and is conditionally redeemable on the last day of the fifth year. The issuer has the right to the conditional early redemption of the Bond at par value in full or in part, subject to the approval of the CBRC. Please refer to the offering circular and announcement in relation to the Bond published on the website of National Interbank Funding Center (www.chinamoney.com.cn) and ChinaBond (www.chinabond.com.cn) for further details.

The proceeds from the issue of the Bond will be used to replenish tier 2 capital of the Bank in accordance with applicable laws and subject to approvals from regulatory authorities in order to improve its capital adequacy ratio, operating strength, risk resistance and profitability for its sustainable and sound business development.

By order of the Board
Postal Savings Bank of China Co., Ltd.
Du Chunye
Joint Company Secretary

Beijing, China
March 24, 2017

As at the date of this announcement, the Board comprises Mr. Li Guohua as Chairman and non-executive Director; Mr. Lyu Jiajin, Mr. Zhang Xuewen and Ms. Yao Hong as executive Directors; Mr. Tang Jian and Mr. Chin Hung I David as non-executive Directors; Mr. Ma Weihua, Ms. Bi Zhonghua, Mr. Fu Tingmei and Mr. Gan Peizhong as independent non-executive Directors.

* *Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*