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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)

NEW ISSUE OF U.S.\$7,250,000,000 4.50% NON-CUMULATIVE PERPETUAL OFFSHORE PREFERENCE SHARES (Stock Code: 4612)

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



Pursuant to the approvals by the China Banking Regulatory Commission (the “**CBRC**”) and the China Securities Regulatory Commission (the “**CSRC**”) in relation to the offshore preference shares proposed to be issued by Postal Savings Bank of China Co., Ltd. (the “**Bank**”), the Bank has entered into the subscription agreement (the “**Subscription Agreement**”) on September 21, 2017 with the Joint Lead Managers in relation to the issuance of U.S.\$7,250,000,000 4.50% non-cumulative perpetual offshore preference shares (the “**Offshore Preference Shares**”). The Offshore Preference Shares will have a par value of RMB100 each but will be issued as fully paid-up capital in U.S. dollars so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each. The Offshore Preference Shares will be issued in registered form and issued and transferable 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 September 21, 2017 for further details of the Subscription Agreement and the Offshore Preference Shares.

An application has been made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of, and permission to deal in, the Offshore Preference Shares, and such permission is expected to become effective on September 28, 2017. 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, the United States, the PRC, Hong Kong, Japan, Singapore, Taiwan and the United Kingdom. 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 U.S. Securities Act. Accordingly, the Offshore Preference Shares and the H shares issuable upon conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the U.S. Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S under the U.S. Securities Act. 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 Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (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 September 27, 2017. The listing of the Offshore Preference Shares on the Hong Kong Stock Exchange is expected to become effective on September 28, 2017.

The total number of the Offshore Preference Shares that have been issued is 362,500,000. Based on the RMB central parity rate published by the China Foreign Exchange Trading Centre on September 27, 2017, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB48.0 billion. Subject to applicable laws and regulations and the approvals by the relevant regulatory authorities such as the CBRC and the CSRC, the Bank expects the proceeds raised from the issuance of the Offshore Preference Shares, after deduction of the commissions and expenses relating to the issuance, will be used to replenish the Bank's Additional Tier 1 Capital, to improve the capital structure and to support business development of the Bank in the future.

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

Beijing, PRC
September 27, 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 Xuwen and Ms. Yao Hong as executive Directors; Mr. Han Wenbo, Mr. Tang Jian, Mr. Liu Yaogong 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.*