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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)

(Stock Code of Preference Shares: 4612)

PROPOSED ISSUANCE OF WRITE-DOWN UNDATED CAPITAL BONDS

The Board of Directors (the “**Board**”) of Postal Savings Bank of China Co., Ltd. (the “**Bank**”) announces that, the Board has approved the Bank to issue the write-down undated capital bonds in accordance with the following terms and conditions, upon the approvals by the shareholders’ general meeting and relevant regulatory authorities, in a Board meeting held on 20 August 2019:

1. Total issuance amount: not more than RMB80 billion, or equivalent in foreign currencies;
2. Type of capital instruments: write-down undated capital bonds, which meet the relevant requirements as stipulated in the Capital Rules for Commercial Banks (Provisional), and can be used to replenish capital of commercial banks;
3. Target markets: domestic and overseas markets;
4. Tenor: the bonds will continue to be outstanding so long as the Bank's business continues to operate;
5. Means of loss absorption: upon the occurrence of triggering events as specified in the issuance documents, the loss shall be absorbed through a write-down mechanism;
6. Interest rate: to be determined with reference to the market interest rates;

7. Use of proceeds: to replenish additional Tier 1 capital of the Bank;
8. Term of validity of the resolution: from the date of approval at the shareholders' general meeting to 31 December 2021.

It is agreed to propose that the shareholders' general meeting authorizes the Board, which could be delegated to the Chairman and President of the Bank, solely or jointly, to exercise full power and to deal with the matters in connection with the issuance of write-down undated capital bonds, pursuant to the rules and approval requirements promulgated by relevant regulatory authorities, under the framework and principles as considered and approved at the shareholders' general meeting and within the validity period of the authorization for the issuance of write-down undated capital bonds, including but not limited to: (1) the determination of the specific conditions on the issuance of the write-down undated capital bonds, including but not limited to the issuance time, issuance method, tenor, amount of issuance, issuance currency, interest rate, bond maturity, issuance markets and target, and use of proceeds, etc.; and (2) all matters related to the issuance of write-down undated capital bonds, including but not limited to modification, signing, execution of all agreements, contracts and documents related to the issuance of write-down undated capital bonds, engagement of agencies, handling the approval procedures of relevant regulatory authorities, etc. Such authorization shall be valid from the date of approval of the issuance of write-down undated capital bonds from the shareholders' general meeting to 31 December 2021.

It is agreed to propose that the shareholders' general meeting authorizes the Board, which could be delegated to the Chairman and President of the Bank, solely or jointly, to exercise full power to deal with all the related matters such as coupon payment, redemption and write-down, pursuant to the rules and approval requirements promulgated by relevant regulatory authorities within the term of write-down undated capital bonds.

The above issuance will be proposed to the shareholders' general meeting of the Bank for consideration and approval. For details of the time and arrangement of the shareholders' general meeting, please refer to the circular to be issued by the Bank in due course.

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

Beijing, PRC
20 August 2019

As at the date of this announcement, the Board of the Bank comprises Mr. Zhang Jinliang as Chairman and non-executive Director; Mr. Zhang Xuewen and Ms. Yao Hong as executive Directors; Mr. Han Wenbo, Mr. Tang Jian, Mr. Liu Yaogong, Mr. Chin Hung I David, Mr. Liu Yue and Mr. Ding Xiangming as non-executive Directors; Mr. Ma Weihua, Ms. Bi Zhonghua, Mr. Fu Tingmei, Mr. Gan Peizhong and Mr. Hu Xiang 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.*