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SINCE 1908 YOUR WEALTH MANAGEMENT BANK

# 交通銀行股份有限公司 Bank of Communications Co., Ltd.

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 03328, 4605 (Preference Share))

## ANNOUNCEMENT ON CAPITAL INCREASE TO BANK OF COMMUNICATIONS (HONG KONG) LIMITED

This announcement is published by Bank of Communications Co., Ltd. (the “**Bank**”) on a voluntary basis.

Based on the strategic arrangement to support the sustainable and stable development of the future business of Bank of Communications (Hong Kong) Limited (the “**Hong Kong Subsidiary**”), a wholly-owned subsidiary of the Bank, the board of directors (the “**Board**”) of the Bank resolved on 16 January 2020 to propose the implementation of capital increase to Hong Kong Subsidiary with a total capital increase of no more than HKD30 billion (the “**Capital Increase**”) by instalments. Upon completion of the Capital Increase, the Hong Kong Subsidiary will remain as a wholly-owned subsidiary of the Bank.

The Hong Kong Subsidiary is registered in Hong Kong, the PRC with a current registered capital of HKD17.9 billion, and capital contribution proportion of the Bank is 100%. On 29 January 2018, the Hong Kong Subsidiary officially opened. Currently, the Hong Kong Subsidiary provides customers with personal banking, corporate banking and private banking services through 43 outlets, 4 business services centres and its private banking centre in Hong Kong. As at 30 June 2019, the total assets of Hong Kong Subsidiary amounted to HKD207.114 billion and net assets amounted to HKD20.038 billion. For the first six months of 2019, the Hong Kong Subsidiary recorded a net profit of HKD0.964 billion.

The capital source for the Capital Increase is the Bank’s own funds. The Capital Increase will further strengthen the capital strength of the Hong Kong Subsidiary. The Bank will take this opportunity to continue to deepen the development of retail banking and private banking service as well as the overall steady development of the Bank’s business in Hong Kong, to continue to provide customers in Hong Kong with better products and services, and to fulfill the Bank’s long-term commitment to customers, employees and business partners in Hong Kong.

The Capital Increase is still subject to consideration at the general meeting of the Bank and the approval of relevant regulatory authorities.

By order of the Board of  
**Bank of Communications Co., Ltd.**  
**Gu Sheng**  
*Company Secretary*

Shanghai, the PRC  
16 January 2020

*As at the date of this announcement, the directors of the Bank are Mr. Ren Deqi, Mr. Hou Weidong, Mr. Wang Taiyin\*, Mr. Song Guobin\*, Mr. He Zhaobin\*, Mr. Chan Siu Chung\*, Mr. Song Hongjun\*, Mr. Chen Junkui\*, Mr. Liu Haoyang\*, Ms. Li Jian#, Mr. Liu Li#, Mr. Yeung Chi Wai, Jason#, Mr. Woo Chin Wan, Raymond#, Mr. Cai Haoyi# and Mr. Shi Lei#.*

*\* Non-executive directors*

*# Independent non-executive directors*