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If you have sold or transferred all your shares in **Bank of Communications Co., Ltd.**, you should at once hand this circular and the accompanying form of proxy and the reply slip to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



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)

PROPOSAL IN RELATION TO THE CAPITAL MANAGEMENT PLAN (2021-2025) PROPOSED ISSUANCE OF TIER 2 CAPITAL BONDS AND NOTICE OF EGM

The notice convening the EGM to be held at Bocom Financial Tower, No. 188 Yin Cheng Zhong Lu, Shanghai, the PRC at 9:00 a.m. on Wednesday, 24 March 2021, is set out on pages 12 to 14 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Bank in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand, post or fax as soon as practicable and in any event not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited, or to the Board Office of the Bank on or before Wednesday, 3 March 2021.

3 February 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles of Association”	means the articles of association of Bank of Communications Co., Ltd. (as amended from time to time)
“A Share(s)”	means the domestic share(s) of par value of RMB1.00 each in the share capital of ordinary shares of the Bank which is/are listed on the Shanghai Stock Exchange and traded in Renminbi
“Bank”	means Bank of Communications Co., Ltd. (交通銀行股份有限公司), a joint stock limited company incorporated in the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Board”	means the board of directors of the Bank
“CBIRC”	means China Banking and Insurance Regulatory Commission
“Director(s)”	means the director(s) of the Bank
“EGM”	means the extraordinary general meeting of the Bank to be held at Bocom Financial Tower, No. 188 Yin Cheng Zhong Lu, Shanghai, the PRC at 9:00 a.m. on Wednesday, 24 March 2021
“Group”	the Bank and its subsidiaries
“Hong Kong”	means Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“H Share(s)”	means the overseas-listed foreign share(s) of par value of RMB1.00 each in the share capital of ordinary shares of the Bank which is/are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Latest Practicable Date”	means 28 January 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information for inclusion herein
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	means the People’s Republic of China

DEFINITIONS

“RMB” means Renminbi, the lawful currency of the PRC

“Shareholder(s)” means the holder(s) of the share(s) of the Bank

“Share(s)” means A Share(s) and/or H Share(s)

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Ren Deqi
Mr. Liu Jun

Non-executive Directors:

Mr. Li Longcheng
Mr. Wang Linping
Mr. Chang Baosheng
Mr. Chan Siu Chung
Mr. Song Hongjun
Mr. Chen Junkui
Mr. Liu Haoyang

Independent Non-executive Directors:

Mr. Yeung Chi Wai, Jason
Mr. Woo Chin Wan, Raymond
Mr. Cai Haoyi
Mr. Shi Lei
Mr. Zhang Xiangdong
Ms. Li Xiaohui

Registered Office:

No. 188, Yin Cheng Zhong Lu,
China (Shanghai) Pilot
Free Trade Zone
PRC

Place of Business in Hong Kong:

No. 20 Pedder Street
Central
Hong Kong

3 February 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSAL IN RELATION
TO THE CAPITAL MANAGEMENT PLAN (2021-2025)
PROPOSED ISSUANCE OF TIER 2 CAPITAL BONDS
AND
NOTICE OF EGM**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of the circular is to provide you with detailed information in relation to, among other things, (i) the proposal regarding the Capital Management Plan (2021-2025); and (ii) the proposed issuance of tier 2 capital bonds, in order for you to make an informed decision to vote for or against the proposed resolutions at the EGM.

2. PROPOSAL IN RELATION TO THE CAPITAL MANAGEMENT PLAN (2021-2025)

The Capital Management Plan for the years 2018-2020 considered and approved by the Shareholders at the annual general meeting held on 29 June 2018 has expired in 2020. In order to implement the regulatory requirements, make overall arrangements for the future business development and internal management, further give play to the role of capital in the Bank's business management in terms of constraint and promotion and support the high-quality development of the Bank, the Bank has formulated the Capital Management Plan (2021-2025). For details of the Capital Management Plan (2021-2025), please refer to the Appendix to this circular.

Such proposal will be put forward at the EGM for the Shareholders' consideration and approval by way of an ordinary resolution.

3. PROPOSED ISSUANCE OF TIER 2 CAPITAL BONDS

In order to strengthen the sustainable development and serve the real economy, the Bank has maintained a good capital adequacy level and a reasonable capital structure through internal accumulation and external supplement in accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) (《商業銀行資本管理辦法》(試行)) of CBIRC and the capital management plan of the Bank. In order to meet the needs of the Bank for business development, support the real economy and external capital investment, the Board has resolved to propose the issuance of the qualified write-down tier 2 capital bonds. In accordance with the Articles of Association and the provisions of the Authorization to the Board by the General Meeting of the Bank (《股東大會對董事會授權方案》), the proposal of the issuance of the qualified write-down tier 2 capital bonds is subject to the approval of Shareholders at the general meeting.

Such proposal will be put forward at the EGM for the Shareholders' consideration and approval by way of a special resolution.

The principal terms of the proposed issuance of Tier 2 Capital Bonds are as follows:

Issuance size:	in an amount of not more than RMB140 billion or foreign currency equivalent
Type of the instrument:	write-down tier 2 capital bonds, which comply with the relevant requirements as stipulated in the Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) (《商業銀行資本管理辦法》(試行)), and can be used for capital replenishment of commercial banks

LETTER FROM THE BOARD

Target market:	domestic and offshore markets
Maturity:	not less than 5 years
Means of loss absorption:	upon the occurrence of the triggering events specified in the issuing documents, the loss will be absorbed by means of write-down
Interest rate of issuance:	to be determined with reference to the market interest rate
Use of proceeds:	to replenish the Bank's tier 2 capital
Term of validity of the resolution:	from the date of approval by the general meeting to 31 December 2022

In order to steadily promote the issuance of the bonds, it is submitted to the general meeting that the Board is authorized, to delegate the authorization to the senior management or its authorized representative(s) to deal with the specific matters, including, among others:

- (i) pursuant to the issuance plan, the rules and approval requirements promulgated by relevant regulatory authorities, to formulate the specific terms and conditions for the issue of the bonds, including, among others, upon the occurrence of triggering events, the qualified write-down tier 2 capital bonds can be immediately written down in accordance with the agreement; and to determine the date, the tranches of issue, the size of issue, the term of bonds, interest rate of bonds, issue price, issue market, issue targets, the method of issue, the use of proceeds, payment of interest, redemption, and other relevant matters;
- (ii) to modify, sign, and implement all agreements, contracts and related documents during the issue of bonds, to engage the intermediary agencies and to deal with other relevant matters in relation to the issue of bonds;
- (iii) to deal with the relevant approval procedures in relation to the issue of bonds, to formulate, modify and submit the application materials related to issuance in accordance with the requirements of relevant government departments and regulatory authorities; and
- (iv) to make corresponding adjustments to the relevant matters of the issue of bonds in accordance with requirements from the policies of relevant government departments and regulatory authorities and changes of market conditions except where re-voting at a general meeting or board meeting is required by any relevant laws and regulations and the Articles of Association.

The above-mentioned authorization will take effect from the date of approval by the general meeting to 31 December 2022.

LETTER FROM THE BOARD

4. THE EGM

The EGM will be held at Bocom Financial Tower, No. 188 Yin Cheng Zhong Lu, Shanghai, the PRC at 9:00 a.m. on Wednesday, 24 March 2021. The notice convening the EGM is set out on pages 12 to 14 of this circular.

To the best of the Directors' knowledge, information and belief, no Shareholder shall abstain from voting on any resolutions at the EGM.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holders of H shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Bank in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by hand, post or fax as soon as practicable and in any event not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or to the Board Office of the Bank on or before Wednesday, 3 March 2021.

5. RECOMMENDATION

The Board considers that resolutions set out in the notice of the EGM are in the best interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of relevant resolutions proposed at the EGM.

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

**PROPOSAL IN RELATION
TO THE CAPITAL MANAGEMENT PLAN (2021-2025)
BANK OF COMMUNICATIONS CO., LTD.**

This Plan is formulated in order to adapt to the changes to the macro-economic situation and business environment, implement the regulatory requirements, effectively enhance the ability of Bank of Communications Co., Ltd. (the “**Bank**”) to serve the real economy, continuously promote the capital-intensive transformation and refined management, improve the level of capital management, and provide strong support for the high-quality development of the Bank.

I. THE MAIN PRINCIPLES AND FACTORS CONSIDERED OF CAPITAL MANAGEMENT PLAN

The main principles of the Bank’s capital planning are to be guided by high-quality development, to give consideration to both short-term, medium and long-term capital needs, to adhere to the concept of capital-light development, and to improve business earnings and return on capital. Enhance the ability to accumulate endogenous capital, make reasonable use of the financing channels of both domestic and overseas markets, carry out multi-market and multi-type issuance of capital instruments, and replenish appropriate external capital to ensure capital adequacy and structural optimization.

(1) Adapting to the changes in the macro-economic situation, and actively responding to risks and challenges.

Affected by the rise of global trade protectionism and the outbreak of the COVID-19 pandemic, the domestic and foreign economies have been greatly impacted, and the future economic growth is uncertain. At the same time, with the acceleration of domestic financial reform, the rapid entry of international financial institutions, and the rapid development of new forms of business such as financial technology, commercial banks face increased competition pressure and risk challenges. The Bank shall take the initiative to adapt to the changes in the macro-economic and business environment, and effectively respond to various risks and challenges.

(2) Matching with the Group’s business development goals, and supporting transformation and development.

In the process of implementation and promotion of the capital plan, the capital plan will actively match with the Group’s “14th Five-Year” development plan, give overall consideration to the Group’s business objectives, development strategies and structural layout, give consideration to short-term and medium and long-term capital needs, properly arrange the channels of internal accumulation and external supplement, give full play to the value creation function of capital and provide adequate capital support for the reform and development of the Bank during the “14th Five-Year” period.

(3) Continuously meeting the capital regulatory requirements, and properly dealing with the research and planning of new policies.

In recent years, on top of the minimum capital regulatory requirements stipulated in the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法(試行)》) (“**Capital Measures**”), regulatory policies such as capital requirements for domestic systemically important bank, enhanced regulatory standards (HRS), establishment of counter-cyclical capital buffer mechanism and requirements on total loss absorption capacity (TLAC), have further increased the pressure on capital management. In addition, the final reform plan of Basel III, which refines the risk weight of the standardized approach and limits the scope of application of the internal assessment approach, will also have a relatively significant impact on the operation and management of commercial banks. The Bank shall actively follow up the changes to capital regulatory rules, properly conduct research in advance, and actively plan and promote the work relating to capital management.

(4) Strengthening the role of capital guidance and incentives, and focusing on improving the return on capital.

The Group will strengthen the Group capital management requirements, and balance the synergistic relationship between increasing the support for the real economy and adhering to capital-light and high-quality development. The Group will strengthen the incentive and restraint mechanism with capital as the core, connect it with the business strategies and business planning of the Bank, effectively embed the contents and requirements of capital management in the business management links, improve the efficiency of capital allocation and the level of returns, form a coordinated development mechanism which can balance risks and returns, and achieve balance between short-term results and medium and long-term business results, and enhance the capacity for endogenous development.

II. CAPITAL ADEQUACY TARGET

Pursuant to the requirements of the Capital Measures, the core tier one capital adequacy ratio, tier one capital adequacy ratio and total capital adequacy ratio of domestic systemically important banks shall not be less than 8.5%, 9.5% and 11.5% respectively. The bottom line objectives of the Bank’s capital adequacy ratio shall not be lower than the minimum regulatory requirements continuously, and appropriate capital buffers shall be reserved for meeting the second pillar of internal capital adequacy assessment bonus point requirements, counter-cyclical capital buffers and the requirements of the HRS for large banks. According to this rule, provided that the macro-economic and financial situation is basically stable and there is no material change to the capital regulatory policies, the bottom line objectives of the capital adequacy ratio during the planning period are: core tier one capital adequacy ratio shall not be less than 8.5% continuously, tier one capital adequacy ratio shall not be less than 9.5% continuously, and capital adequacy ratio shall not be less than 12.5% continuously.

During the planning period, if counter-cyclical capital buffers ratio requirements are adjusted or other regulatory policies change significantly, the Bank will properly carry out dynamic assessment and adjust the planning objectives at appropriate time; and meet the regulatory requirements for TLAC ratio in accordance with the relevant provisions of the TLAC administrative measures.

III. CAPITAL SUPPLEMENTARY PLAN

During the period from 2021 to 2025, the Bank will make overall arrangements for the capital scale, structure, cost and quality, further optimize the capital replenishment mechanism, adhere to the principle of endogenous capital accumulation, make use of both domestic and overseas markets to expand the capital replenishment channels, promote the innovation of capital instruments, and balance the structure and pace of the issuance of capital instruments.

(1) Supplement of endogenous capital.

The Bank will improve its internal capital accumulation and replenishment capacity by strengthening its management and improving operating performance.

1. Maintaining a stable profitability. Profitability is a key factor for endogenous capital accumulation. During the planning period, the Bank will continue to strengthen its management, optimize its business structure and client structure, improve its risk pricing capability, continuously increase the proportion of non-interest income, reasonably control costs, and improve operational efficiency so as to ensure the sustainable replenishment of endogenous capital.
2. Determining the dividend ratio reasonably. The Bank will comprehensively consider the requirements for capital accumulation and return to shareholders, determine the dividend ratio reasonably, balance the relationship between dividend and long-term return to shareholders, and appropriately increase capital accumulation to meet the requirements for capital adequacy.
3. Fully accruing impairment reserves. The Bank will strengthen risk management and maintain a stable asset quality. Meanwhile, the Bank will fully accrue various provisions to further replenish capital while improving its risk resistance capability.

(2) Replenishment of exogenous capital.

In addition to endogenous replenishment, the Bank will actively replenish exogenous capital in order to achieve the objectives of the capital management plan of 2021-2025. Firstly, the Bank will pay close attention to the market trends, and actively explore the ways to replenish core Tier 1 capital. Secondly, the Bank will balance the capital structure and the cost of various capital instruments as a whole, and replenish other Tier 1 capital and Tier 2 capital by issuing preferred shares, perpetual bonds, Tier 2 capital bonds, etc. Thirdly, the Bank will pay close attention to the regulatory policies and capital market dynamics, follow up the innovation of capital instruments, broaden the financing channels, and form a diversified, multi-level, flexible capital replenishment mechanism. Fourthly, the Bank will closely follow the dynamics of domestic and foreign regulators and the banking industry, work well in the research and preparation for TLAC qualified debt instruments, and issue TLAC instruments at appropriate time according to the requirements of the Administrative Measures on Total Loss Absorption Capacity and the process of the Bank's inclusion into the global systemically important banks. The specific issuance plan will be separately submitted to the Board and the Shareholders' general meeting for approval.

IV. CAPITAL MANAGEMENT MEASURES**(1) Closely following international and domestic regulatory rules and optimising and improving the internal capital adequacy assessment mechanism.**

Based on internal and external business situation changes, taking into account the progress in implementation of the new Basel III, new domestic capital measures, TLAC administrative measures and other regulatory rules, the Bank will prudently estimate asset quality, profit growth and capital market volatility, formulate and implement a capital management plan on a rolling basis, dynamically balance capital demand and capital supply, enhance the ability of capital to withstand risks, and improve the internal capital adequacy assessment mechanism. Firstly, the Bank will further improve risk measurement techniques, and comprehensively measure the capital corresponding to various risks such as credit risk, market risk and operational risk. The Bank will strengthen assessment, measurement and monitoring of various risks, and ensure that the capital level corresponds to the main risks faced and risk management level. Secondly, the Bank will further deepen the internal assessment of capital adequacy, strengthen the sensitivity analysis of capital on the economic situation, business operation and risk changes, scientifically quantify the impact on the level of capital adequacy, and enhance the forward-looking and foreseeable nature of the operation and management of the whole Bank. Thirdly, the Bank will make full use of the internal assessment results of capital adequacy, regularly assess the capital planning, and timely make dynamic optimization and adjustment to the capital planning according to the changes such as the macro-environment, regulatory requirements, market situation and business development.

(2) Strengthening data mining, improving capital management and evaluation mechanism, and strengthening capital constraints and returns.

Firstly, the Bank will strengthen the mechanism for convergence of capital planning and group comprehensive budget management, guide and control allocation of assets and liabilities and financial resources through comprehensive budget management with capital return as the core, and realise optimisation of capital allocation. Secondly, the Bank will further optimize the evaluation and incentive system, adhere to the performance evaluation and evaluation system with EVA and return on capital as the core, promote the optimization of business structure through the guidance of capital constraints, tilt the allocation of resources to the products and fields with low capital occupation and high return on capital, promote the transformation of the asset-light and capital-light business model, and enhance the overall efficiency in the use of capital. Thirdly, the Bank will improve the data and system support capacity of capital management, improve the analysis and decision-making capability through efficient integration and application of data, and explore effective methods and means of capital conservation.

(3) Strengthening capital management for subsidiaries, and improving integrated capital management of the Group.

The Bank will strengthen group-wide capital management requirements, and implement them in the whole process of corporate governance, business operation, capital increase management, performance assessment, etc of various organisations. Firstly, the Bank will establish capital management assessment mechanism and procedures for subsidiaries, promote subsidiaries to properly

prepare medium and long-term capital planning, prudently assess medium and long-term capital needs, and improve the Group's overall capital management capacity. Secondly, the Bank will standardise admission threshold and capital return requirements for establishment and capital increase of subsidiaries, establish post-return assessment and restraint mechanism for capital return, promote subsidiaries to improve capital return, assist in realising optimised allocation of overall capital and business objectives of the Group, and ensure that the Group and its subsidiaries jointly attain capital standards and sustainable development.

(4) Properly carrying out prospective stress testing, and improving emergency capital supplementation mechanism.

The Bank will conduct stringent and forward-looking stress testing pursuant to the relevant requirements of capital management measures, and ensure that the Bank has adequate capital to respond to adverse changes in market conditions. The Bank will also, formulate and improve emergency capital supplementation mechanism to satisfy unplanned capital needs. In the event of serious deterioration of external business environment or occurrence of other adverse circumstances, the Bank shall activate emergency capital supplementation mechanism to restore the Bank's capital adequacy level by increasing available capital and reducing capital consumption. Main measures to increase available capital include: restriction of dividend, qualified capital instrument write-down or conversion into shares, emergency capital injection, etc; and main measures to reduce capital consumption include: emergency sale of assets, postponement of network expansion or loan provision, restriction of business development with high capital occupation, sale of investment portfolio, non-core assets or loan portfolio, asset securitisation and other effective measures.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Bank of Communications Co., Ltd. (the “Bank”) will be held at Bocom Financial Tower, No. 188 Yin Cheng Zhong Lu, Shanghai, the People's Republic of China (the “PRC”) at 9:00 a.m. on Wednesday, 24 March 2021, for the purpose of passing the following resolutions:

AS ORDINARY RESOLUTION

1. To consider and, if thought fit, to approve the proposal regarding the Capital Management Plan (2021- 2025) of Bank of Communications Co., Ltd..

AS SPECIAL RESOLUTION

2. To consider and, if thought fit, to approve the proposal regarding the issuance of tier 2 capital bonds:

“THAT:

- (a) the Bank be and is hereby authorized to issue the qualified write-down tier 2 capital bonds with an aggregate amount of no more than RMB140 billion or foreign currency equivalent; and
- (b) the Board be and is hereby authorized, to delegate the authorization to the senior management or its authorized representative(s) to deal with the specific matters, including, among others:
 - (i) pursuant to the issuance plan, the rules and approval requirements promulgated by relevant regulatory authorities, to formulate the specific terms and conditions for the issue of the bonds, including, among others, upon the occurrence of triggering events, the qualified write-down tier 2 capital bonds can be immediately written down in accordance with the agreement; and to determine the date, the tranches of issue, the size of issue, the term of bonds, interest rate of bonds, issue price, issue market, issue targets, the method of issue, the use of proceeds, payment of interests, redemption, and other relevant matters.

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- (ii) to modify, sign, and implement all agreements, contracts and related documents during the issue of bonds, to engage the intermediary agencies and to deal with other relevant matters in relation to the issue of bonds.
- (iii) to deal with the relevant approval procedures in relation to the issue of bonds, to formulate, modify and submit the application materials related to issuance in accordance with the requirements of relevant government departments and regulatory authorities.
- (iv) to make corresponding adjustments to the relevant matters of the issue of bonds in accordance with requirements from the policies of relevant government departments and regulatory authorities and changes of market conditions except where re-voting at a general meeting or board meeting is required by any relevant laws and regulations and the Articles of Association.

The above-mentioned authorization will take effect from the date of approval by the general meeting to 31 December 2022.”

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

Shanghai, the PRC
3 February 2021

Notes:

1. Closure of register of members for H shares and eligibilities for attending the EGM

The shareholders whose names appear on the register of members for H shares of the Bank at the close of business on Friday, 19 February 2021 are entitled to attend the EGM with their passports or other identity papers.

The register of members for H shares of the Bank will be closed from Monday, 22 February 2021 to Wednesday, 24 March 2021 (both days inclusive), during which period no transfer of the H shares will be registered.

Holders of the H shares intending to attend the EGM shall lodge all the transfer documents for H shares together with the relevant share certificates with Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Bank in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Friday, 19 February 2021.

2. Proxy

Shareholders entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in their stead. A proxy need not be a shareholder of the Bank.

A proxy of a shareholder who has appointed more than one proxy may only vote on a poll in respect of the shares actually held. The instrument appointing a proxy must be in writing under the hand of the appointer or his/her attorney duly authorized in writing. If the shareholder is a corporate body, the proxy form must be either executed under its

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common seal or under the hand of its director(s) or duly authorised attorney(s). If that instrument is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified.

To be valid, the notarially certified power of attorney, or other documents of authorisation, and the proxy form must be delivered to the Bank's share registrar by hand, post or fax as soon as possible and in any event not less than 24 hours before the time appointed for the EGM or any adjournment thereof. The Bank's share registrar is Computershare Hong Kong Investor Services Limited, whose address is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

3. Reply slip

Shareholders intending to attend the EGM should return the reply slip (which will be despatched to the shareholders together with this notice) to the Board Office of the Bank or Computershare Hong Kong Investor Services Limited on or before Wednesday, 3 March 2021 by hand, post or fax. Failure to return the reply slip will not affect a shareholder's right to attend the EGM or any adjournment thereof in person. The Board Office of the Bank is located at No. 188 Yin Cheng Zhong Lu, Pudong New District, Shanghai, the PRC (Tel: (8621) 5876 6688, Fax: (8621) 5879 8398, Postcode: 200120). The contact persons are Mr. Pan and Mr. Yang. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

4. Method of voting at the EGM

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by way of poll. Accordingly, the chairman of the EGM will demand a poll in relation to the proposed resolutions at the EGM.

5. Other issues

The EGM (on-site meeting) is expected to last for half a day. Shareholders (in person or by proxy) attending the EGM shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents and the authorisation documents mentioned above. A photocopy of such identity documents and authorization documents should also be provided. For photocopies of documents for an individual shareholder, the photocopies shall be signed by the individual. For photocopies of documents for a corporate shareholder, the photocopies shall be stamped with the corporate chop.

As at the date of this notice, the directors of the Bank are Mr. Ren Deqi, Mr. Liu Jun, Mr. Li Longcheng, Mr. Wang Linping*, Mr. Chang Baosheng*, Mr. Chan Siu Chung*, Mr. Song Hongjun*, Mr. Chen Junkui*, Mr. Liu Haoyang*, Mr. Yeung Chi Wai, Jason[#], Mr. Woo Chin Wan, Raymond[#], Mr. Cai Haoyi[#], Mr. Shi Lei[#], Mr. Zhang Xiangdong[#] and Ms. Li Xiaohui[#].*

* Non-executive directors

[#] Independent non-executive directors