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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)

## PRELIMINARY PRICE CONSULTATION PERIOD OF A SHARE OFFERING AND SUMMARY OF PRINCIPAL PROVISIONS OF A SHARE PROSPECTUS

This announcement is made by Postal Savings Bank of China Co., Ltd. (the “**Bank**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Bank dated 29 August 2017, 12 September 2017, 12 October 2017, 27 October 2017, 14 May 2018, 28 June 2018, 12 April 2019, 30 May 2019, 12 June 2019, 26 June 2019, 24 October 2019 and 25 October 2019 (collectively, the “**Announcements**”) and the circulars dated 12 September 2017, 14 May 2018, and 12 April 2019 (collectively, the “**Circulars**”), in relation to the Bank’s A Share offering and relevant matters. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements and Circulars.

### I. PRELIMINARY PRICE CONSULTATION PERIOD OF THE A SHARE OFFERING

As disclosed in the announcement of the Bank dated 25 October 2019, the Bank received an official written notification from China Securities Regulatory Commission (the “**CSRC**”) on 25 October 2019 that the A Share Offering had been approved. As required by the applicable PRC laws and regulations, the Bank and the joint lead underwriters of the A Share Offering will conduct preliminary price consultations in the PRC among qualified participants who meet the requirements of the PRC laws and regulations on 1 November 2019 (from 9:30 a.m. to 15:00 p.m.) to determine the issue price. The Bank will make further announcement(s) once the final issue size and issue price of the A Share Offering have been determined.

### II. PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the prospectus in relation to the initial public offering of shares (A Shares) (the “**A Share Prospectus**”), a summary of the A Share Prospectus and the relevant appendices in Chinese only were published by the Bank on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the website of the Hong Kong Exchanges and Clearing Limited

(www.hkexnews.hk) and the website of the Bank (www.psbc.com) on 29 October 2019. The summary of the A Share Prospectus was also published on various PRC newspapers including China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on 29 October 2019.

## Summary of the principal provisions of the A Share Prospectus:

### 1. Summary of the A Share Offering

Type of shares:	RMB ordinary shares (A Shares)
Par value per share:	RMB1.00
Number of shares to be issued:	No more than 5,172,164,200 Shares (namely not exceeding 6% of the total share capital after the A Share Offering assuming no exercise of the over-allotment option for the A Share Offering); or no more than 5,947,988,200 Shares (namely not exceeding 6.84% of the total share capital after the A Share Offering assuming the exercise in full of the over-allotment option for the A Share Offering). Upon the occurrence of any bonus issue, capitalization of capital reserve or other events prior to the A Share Offering, the offering size will be adjusted accordingly. The A Share Offering will be conducted by way of issuing new shares. The actual total offering size, over-allotment and proportion of placement will be determined according to the capital requirements of the Bank, communications between the Bank and regulatory authorities and the prevailing market conditions at the time of offering
Issue price per share:	RMB[ ]
Price-to-earnings (P/E) ratio of the offering (calculated by dividing the issue price by earnings per share, and earnings per share is calculated by dividing the Bank's 2018 audited net profit attributable to the holders of ordinary shares of the Company before or after the deduction of non-recurring gains and losses, whichever is lower, by the total share capital after the offering (assuming no exercise of the over-allotment option for the A Share Offering)):	[ ] times

Net asset value per share before the A Share Offering (calculated by dividing the Bank's audited equity attributable to the holders of ordinary shares of the Company after the deduction of other equity instruments as at 30 June 2019 by the total share capital before the offering): RMB5.49

Net asset value per share after the A Share Offering (calculated by dividing the sum of the Bank's audited equity attributable to the holders of ordinary shares of the Company after the deduction of other equity instruments as at 30 June 2019 and the net proceeds raised from the offering by the total share capital after the offering (assuming no exercise of the over-allotment option for the offering)): RMB[ ]

Price-to-book (P/B) ratio of the offering (calculated by dividing the price per share by the net asset value per share after the offering): [ ] times

Method of offering: A combination of strategic placement, off-line book-building and placement to off-line investors in the price consultation process and on-line offering to qualified social public investors at fixed prices or other methods of offering permitted by the CSRC

Target subscribers: Qualified natural persons and institutional investors (excluding those prohibited by the relevant PRC laws, administrative regulations, departmental rules, normative documents and other regulatory requirements that the Bank needs to comply with). If any of the aforesaid target subscribers of the A Share Offering is a related party of the Bank, the Bank will take all reasonable measures to comply with the relevant requirements of the listing rules of the places of listing

Method of underwriting:	The offering will be underwritten by an underwriting syndicate led by the lead underwriter(s) on a standby commitment basis
Estimated gross and net proceeds raised:	The estimated gross proceeds raised under the A Share Offering are RMB[ ]; and after deduction of offering expenses, the estimated net proceeds raised under the A Share Offering are RMB[ ] (assuming no exercise of the over-allotment option for the A Share Offering)
Estimated offering expenses:	Assuming no exercise of the over-allotment option for the A Share Offering, the total expenses occurred in connection with the A Share Offering are approximately RMB[ ], among which underwriting and sponsor fees are determined by the actual gross proceeds raised (assuming no exercise of the over-allotment option for the A Share Offering) multiplying 1.50% (including taxes); auditing fees and capital verification fees are RMB20.99 million; legal expenses are RMB4.72 million; information disclosure expenses in relation to the A Share Offering are RMB7.12 million; listing service fees are RMB3.97 million; and stamp duty shall be determined based on 0.025% of the actual amount of the net proceeds raised (assuming no exercise of the over-allotment option for the A Share Offering). Assuming the exercise of the over-allotment option for the A Share Offering, the additional underwriting fees are determined by the additional actual gross proceeds raised (assuming the exercise of the over-allotment option) multiplying 1.50% (including taxes); the additional auditing fees and capital verification fees are RMB0.17 million; and the additional stamp duty shall be determined based on 0.025% of the additional actual amount of the net proceeds raised (assuming exercise of the over-allotment option) (except for underwriting and sponsor fees, the related value added taxes are not included in the expenses above)
Stock exchange on which the shares to be listed:	Shanghai Stock Exchange

## 2. *Use of proceeds*

Approved by the 2017 second extraordinary general meeting, 2017 second class meeting for domestic shareholders and 2017 second class meeting for H shareholders of the Bank held on Friday, 27 October 2017, all of the proceeds raised from the A Shares Offering,

after deducting the offering expenses, will be used to replenish the capital of the Bank. As for the details of use of proceeds raised from A Share Offering, please refer to the circular of the Bank dated 12 September 2017.

### 3. *Share capital before and after the A Share Offering*

Before the A Share Offering, the Bank's share capital comprised a total of 81,030,574,000 shares, including 61,174,407,000 domestic shares and 19,856,167,000 H shares. Taking not into consideration of the effect of the over-allotment option for the A Share Offering and assuming 5,172,164,200 A shares is to be issued in the A Share Offering (assuming no exercise of the over-allotment option), the total share capital after the A Share Offering is 86,202,738,200 shares. The shareholding structure of the Bank before and after the A Share Offering is as follows:

Name of shareholder	Nature of equity interest	Before offering		After offering (assuming no exercise of the over-allotment option)	
		Number of shares held (Shares)	Percentage of shareholding	Number of shares held (Shares)	Percentage of shareholding
China Post Group Corporation (SS)	Domestic Shares	55,847,933,782	68.92%	55,847,933,782	64.79%
China Life Insurance Company Limited (SS)	Domestic Shares	3,341,900,000	4.12%	3,341,900,000	3.88%
China Telecommunications Corporation (SS)	Domestic Shares	1,117,223,218	1.38%	1,117,223,218	1.30%
Zhejiang Ant Small and Micro Financial Services Group Co., Ltd.	Domestic Shares	738,820,000	0.91%	738,820,000	0.86%
Shenzhen Tencent Domain Computer Network Company Limited	Domestic Shares	128,530,000	0.16%	128,530,000	0.15%
H Shareholders	H Shares	19,856,167,000	24.50%	19,856,167,000	23.03%
Other A Shareholders	Domestic Shares	—	—	5,172,164,200	6.00%
<b>Total Shares</b>		<b><u>81,030,574,000</u></b>	<b>100.00%</b>	<b><u>86,202,738,200</u></b>	<b>100.00%</b>

*Note: Hereafter "SS" indicates the state-owned shareholders, it's the abbreviation of State-owned Shareholder.*

Assuming exercise in full of the over-allotment option for the A Share Offering and 5,947,988,200 A shares is to be issued in the A Share Offering, the total share capital after the A Share Offering is 86,978,562,200 shares. The shareholding structure of the Bank before and after the A Share Offering is as follows:

Name of shareholder	Nature of equity interest	Before offering		After offering (assuming the exercise in full of the over-allotment option)	
		Number of shares held (Shares)	Percentage of shareholding	Number of shares held (Shares)	Percentage of shareholding
China Post Group Corporation (SS)	Domestic Shares	55,847,933,782	68.92%	55,847,933,782	64.21%
China Life Insurance Company Limited (SS)	Domestic Shares	3,341,900,000	4.12%	3,341,900,000	3.84%
China Telecommunications Corporation (SS)	Domestic Shares	1,117,223,218	1.38%	1,117,223,218	1.28%
Zhejiang Ant Small and Micro Financial Services Group Co., Ltd.	Domestic Shares	738,820,000	0.91%	738,820,000	0.85%
Shenzhen Tencent Domain Computer Network Company Limited	Domestic Shares	128,530,000	0.16%	128,530,000	0.15%
H Shareholders	H Shares	19,856,167,000	24.50%	19,856,167,000	22.83%
Other A Shareholders	Domestic Shares	—	—	<u>5,947,988,200</u>	6.84%
<b>Total Shares</b>		<b><u>81,030,574,000</u></b>	<b>100.00%</b>	<b><u>86,978,562,200</u></b>	<b>100.00%</b>

The above English version of the summary of the principal provisions of the A Share Prospectus is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail. Any discrepancies between the numerical figures and percentages showed in this announcement are due to rounding.

Further announcement(s) will be made to disclose any major updates and developments in respect of the A Share Offering and Listing in accordance with the Listing Rules and other applicable laws and regulations.

**This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Bank.**

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

Beijing, the PRC  
29 October 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. 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*