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**中原銀行股份有限公司\***  
**ZHONGYUAN BANK CO., LTD.\***

*(A joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code of H Shares: 1216)**

**(Stock Code of Preference Shares: 4617)**

**PLACING OF NEW H SHARES UNDER SPECIFIC MANDATE**

**Placing Agents and Joint Global Coordinators**



Reference is made to the announcements of the Bank dated 26 January 2022, 10 March 2022 and 28 April 2022, and the circular of the Bank dated 18 February 2022, in relation to, among others, the Bank's proposed issuance of H Shares under the Specific Mandate.

**H SHARE PLACEMENT UNDER SPECIFIC MANDATE**

The Board is pleased to announce that on 28 April 2022 (after trading hours), (1) the Bank (as the issuer) and (2) Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited and China Merchants Securities (HK) Co., Limited (together, as the Placing Agents and Joint Global Coordinators) entered into the Placing Agreement, pursuant to which each of the Placing Agents has agreed to act as the agents of the Bank and to use its best efforts to procure not less than six independent Placees to subscribe for a total of 3,150,000,000 new H Shares at the Placing Price per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement.

The aggregate number of H Shares to be issued under the H Share Placement will be 3,150,000,000 H Shares, (a) representing approximately 83.00% of the number of H Shares issued by the Bank as at the date of this announcement, (b) representing approximately 15.69% of the number of Shares issued by the Bank as at the date of this announcement, (c) representing approximately 45.36% of the number of H Shares issued by the Bank as enlarged by the issuance of the Placing Shares immediately after the Completion, and (d) representing approximately 13.56% of the number of Shares issued by the Bank as enlarged by the issuance of the Placing Shares immediately after the Completion (assuming there will be no change in the total number of issued Shares from the date of this announcement to the Completion other than the H Share Placement).

The total gross proceeds raised from the H Share Placement will be approximately HK\$5,670 million, and the aggregate net proceeds (after deduction of the commissions and estimated expenses) from the H Share Placement are expected to be approximately HK\$5,667 million.

The net proceeds to be raised from the H Share Placement will be entirely used to replenish core tier 1 capital of the Bank.

The Placing Shares are expected to be placed to no less than six independent Placees who shall be professional, institutional and other investors that are, eligible to subscribe for the Placing Shares, and together with their respective ultimate beneficial owners, third parties independent of the Bank and connected persons of the Bank.

The Placing Shares will be issued under the Specific Mandate. The H Share Placement is not subject to any further approval of the Shareholders.

Application has been made by the Bank to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

**As the Completion is subject to the satisfaction of the Conditions and the termination rights of the Placing Agents, the H Share Placement may or may not proceed. Shareholders and potential investors of the Bank should exercise caution when dealing in the securities of the Bank.**

Reference is made to the announcements of Zhongyuan Bank Co., Ltd. (the “**Bank**”) dated 26 January 2022, 10 March 2022 and 28 April 2022, and the circular (the “**Circular**”) of the Bank dated 18 February 2022, in relation to, among others, the Bank’s proposed issuance of H Shares under the Specific Mandate, which has been approved by the relevant Shareholders of the Bank at the EGM and the relevant Class Meetings. Relevant approvals from the CSRC and CBIRC Henan Office have also been obtained as at the date of this announcement. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

## H SHARE PLACEMENT UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 28 April 2022 (after trading hours), (1) the Bank (as the issuer) and (2) Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited and China Merchants Securities (HK) Co., Limited (as the placing agents and joint global coordinators) (the “**Placing Agent(s)**” and “**Joint Global Coordinator(s)**”) entered into the placing agreement (the “**Placing Agreement**”), pursuant to which each of the Placing Agents has agreed to act as the agents of the Bank and to use its best efforts to procure not less than six independent Placees to subscribe for a total of 3,150,000,000 new H Shares at the Placing Price per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement.

### THE PLACING AGREEMENT

The principal terms of the Placing Agreement are set out below:

**Date:** 28 April 2022

**Parties:** The Bank; and  
Each of the Placing Agents

#### The Placing Agents

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents and its ultimate beneficial owner(s) are third parties independent of the Bank and connected persons (as defined under the Listing Rules) of the Bank.

#### Number of the Placing Shares

Each of the Placing Agents has agreed to act as the agents of the Bank and to use its best efforts to procure the Placees to subscribe for a total of 3,150,000,000 new H Shares at the Placing Price per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement.

The aggregate number of H Shares to be issued under the H Share Placement will be 3,150,000,000 H Shares, (a) representing approximately 83.00% of the number of H Shares issued by the Bank as at the date of this announcement, (b) representing approximately 15.69% of the number of Shares issued by the Bank as at the date of this announcement, (c) representing approximately 45.36% of the number of H Shares issued by the Bank as enlarged by the issuance of the Placing Shares immediately after the completion of the H Share Placement (the “**Completion**”), and (d) representing approximately 13.56% of the number of Shares issued by the Bank as enlarged by the issuance of the Placing Shares immediately after the Completion (assuming there will be no change in the total number of issued Shares from the date of this announcement to the Completion other than the H Share Placement).

Based on the nominal value of RMB1.00 per Placing Share, the aggregate nominal value of the Placing Shares will be RMB3,150,000,000.

## Rights of the Placing Shares

The Placing Shares shall be allotted and issued fully paid and rank *pari passu* in all aspects with the other H Shares then in issue free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid for which a record date occurs on or after the date of issue of the Placing Shares.

## Placees

The Placing Shares are expected to be placed to no less than six independent Placees who shall be professional, institutional and other investors that are, eligible to subscribe for the Placing Shares, and together with their respective ultimate beneficial owners, third parties independent of the Bank and connected persons (as defined under the Listing Rules) of the Bank.

Immediately after the Completion, it is expected that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of the Bank.

## Placing Price

The placing price is HK\$1.80 (equivalent to approximately RMB1.50) per Placing Share (exclusive of any brokerage, SFC transaction levy, FRC transaction levy and the Stock Exchange trading fee as may be payable by the Placees) (the “**Placing Price**”) and represents:

- (1) a premium of approximately 119.51% to the closing price of HK\$0.82 per H Share as quoted on the Stock Exchange on 27 April 2022, being the last trading day immediately prior to the date of the Placing Agreement;
- (2) a premium of approximately 122.22% to the average closing price of approximately HK\$0.81 per H Share as quoted on the Stock Exchange for the five consecutive trading days of the H Shares immediately prior to the date of the Placing Agreement;
- (3) a premium of approximately 122.22% to the average closing price of HK\$0.81 per H Share as quoted on the Stock Exchange for the 20 consecutive trading days of the H Shares immediately prior to the date of the Placing Agreement;
- (4) a premium of approximately 122.22% to the average closing price of approximately HK\$0.81 per H Share as quoted on the Stock Exchange for the 30 consecutive trading days of the H Shares immediately prior to the date of the Placing Agreement; and
- (5) a discount of approximately 41.37% to the net assets per Share attributable to equity shareholders of the Bank, being RMB2.57 per Share as at 31 December 2021.

The Placing Price was determined through order and book building process by the Placing Agents at arm's length negotiations between the Bank and the Placing Agents with reference to (1) the interests of the existing Shareholders as a whole; (2) the acceptability of the investors and the issuance risk under the H Share Placement; and (3) the international market practice and regulatory requirements and the capital market conditions, in particular, the price/book value ratios of the city commercial banks where their H Shares are listed. Please also refer to the section headed “II. The Proposed H Share Placement – The Proposed Terms of H Share Placement – Method of pricing” in the Letter from the Board of the Circular for further details.

The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and that the H Share Placement is in the interests of the Bank and the Shareholders as a whole.

### **Conditions of the H Share Placement**

The Completion is conditional upon the satisfaction of the following conditions (the “**Conditions**”):

- (1) the approvals from the Shareholders of the Bank at the EGM and the relevant Class Meetings on 10 March 2022 for the issue and placing of the Placing Shares remaining in full force and effect on the Completion Date (as defined below);
- (2) the approvals from the regulatory authorities including CSRC and CBIRC Henan Office for the issue and placing of the Placing Shares being obtained and remaining in full force and effect on the Completion Date (as defined below), and the delivery to the Joint Global Coordinators of a certified copy of each of the above approvals; and
- (3) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (“**Listing Approval**”), and such Listing Approval not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares and the delivery to the Joint Global Coordinators of a copy of the Listing Approval.

As at the date of this announcement, the Bank has obtained the Shareholders’ approvals as mentioned in paragraph (1) above, the necessary PRC regulatory approvals for the H Share Placement as mentioned in paragraph (2) above, being the approvals from the CSRC and CBIRC Henan Office, and the Bank has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

### **Termination**

The Placing Agents may terminate the Placing Agreement without liability to the Bank by giving notice in writing to the Bank, which may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Completion Date (as defined below) in accordance with the terms thereof, on the grounds of, including but not limited to, breach of any of the representations, warranties and undertakings by the Bank as set out in the Placing Agreement and the occurrence of certain force majeure events.

### **Completion of the H Share Placement**

The Completion shall take place on the sixth business day, being any day (excluding a Saturday, Sunday or public holiday in Hong Kong and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. to 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong, after the date on which the Conditions are fulfilled but in any event no later than 18 May 2022, or such other date as the Bank and the Joint Global Coordinators may agree in writing (the “**Completion Date**”).

### **LOCK-UP PERIOD**

The H Shares issued by the Bank and subscribed by the Placees pursuant to the H Share Placement are not subject to lock-up period.

The Bank undertakes to the Placing Agents that for a period from the date of the Placing Agreement up to 180 calendar days after the Completion Date, neither the Bank nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, except for the Placing Shares and the Domestic Shares in relation to the Merger by Absorption as approved by the Shareholders in the EGM and the relevant Class Meetings, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Share or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any H Shares or interest in H Shares, or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above, or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Joint Global Coordinators.

## **SPECIFIC MANDATE TO ISSUE THE PLACING SHARES**

As disclosed in the poll results announcement of the Bank dated 10 March 2022, the grant of the Specific Mandate was approved by the relevant Shareholders at the EGM, the H Share Class Meeting and the Domestic Share Class Meeting of the Bank held on the same day.

As at the date of this announcement, the number of new H Shares that can be issued by the Bank under the Specific Mandate is of no less than 3,105,000,000 H Shares and no more than 3,205,000,000 H Shares. Up to the date of this announcement, no H Shares have been issued by the Bank under the Specific Mandate. The 3,150,000,000 Placing Shares will be issued by the Bank within the scope of the Specific Mandate, and hence the H Share Placement is not subject to any further approval of the Shareholders.

## **REASONS FOR THE H SHARE PLACEMENT**

The H Share Placement enables the Bank to replenish its core tier 1 capital, to ensure continuing compliance with regulatory requirements, to enhance the Bank's resilience to risks, to shore up market confidence and to optimize its equity structure. In addition, since all the Placing Shares to be held by the Placees upon the Completion will be counted towards the public float of the Bank pursuant to Rule 8.08 of the Listing Rules, the H Share Placement also enables the Bank to continue to comply with the minimum public float in compliance with the requirements of the Listing Rules. Please also refer to the section headed "II. The Proposed H Share Placement – The Proposed Terms of H Share Placement – Number of Shares to be issued" in the Letter from the Board of the Circular for further details.

## **USE OF PROCEEDS**

The total gross proceeds raised from the H Share Placement will be approximately HK\$5,670 million, and the aggregate net proceeds (after deduction of the commissions and estimated expenses) from the H Share Placement are expected to be approximately HK\$5,667 million.

The net proceeds to be raised from the H Share Placement will be entirely used to replenish core tier 1 capital of the Bank.



## EFFECT ON SHAREHOLDING STRUCTURE OF THE BANK

As at the date of this announcement, the number of the total issued ordinary Shares of the Bank is 20,075,000,000 Shares, including 16,280,000,000 Domestic Shares and 3,795,000,000 H Shares.

Set forth below is the shareholding information of the Shareholders (i) as at the date of this announcement; and (ii) immediately after the completion of the issuance of the 3,150,000,000 Placing Shares, and assuming there is no change of the shareholding structure of the Bank from the date of this announcement and up to the Completion Date (other than the H Share Placement):

Name of Shareholders	Class of Shares	As at the date of this announcement			Immediately after the completion of the H Share Placement		
		Number of Shares	Approximately percentage of issued shares of the relevant class of the Bank <sup>(1) (2)</sup>	Approximately percentage of issued shares of the Bank <sup>(1) (2)</sup>	Number of Shares	Approximately percentage of issued shares of the relevant class of the Bank <sup>(1) (2)</sup>	Approximately percentage of issued shares of the Bank <sup>(1) (2)</sup>
Henan Investment Group Co., Ltd. # (河南投資集團有限公司)							
("Henan Investment Group") <sup>(3)</sup>	Domestic Shares	2,274,982,405	13.97%	11.33%	2,274,982,405	13.97%	9.80%
Other Domestic Shareholders	Domestic Shares	14,005,017,595	86.03%	69.77%	14,005,017,595	86.03%	60.30%
<b>Sub-total</b>		<b>16,280,000,000</b>	<b>100.00%</b>	<b>81.10%</b>	<b>16,280,000,000</b>	<b>100.00%</b>	<b>70.10%</b>
The Placees	H Shares	Nil	–	–	3,150,000,000	45.36%	13.56%
Other Public Shareholders of H Shares	H Shares	3,795,000,000	100.00%	18.90%	3,795,000,000	54.64%	16.34%
<b>Total</b>		<b>20,075,000,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>23,225,000,000</b>	<b>100.00%</b>	<b>100.00%</b>

### Notes:

- (1) Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, and any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.
- (2) As at the date of this announcement, the number of total issued Shares of the Bank is 20,075,000,000, comprising 16,280,000,000 Domestic Shares and 3,795,000,000 H Shares. For the avoidance of doubt, the 69,750,000 issued Preference Shares of the Bank have not been taken into account for the purpose of illustrating the change in the shareholding structure of the Bank as a result of the H Share Placement.
- (3) Henan Investment Group is wholly owned by the Finance Department of Henan Province (河南省財政廳). As at the date of this announcement, Henan Investment Group directly holds 2,057,285,479 Domestic Shares of the Bank and indirectly holds 17,696,926 Domestic Shares and 200,000,000 Domestic Shares through its controlled corporations, i.e. Henan Investment Group Guarantee Co., Ltd. (河南投資集團擔保有限公司) and Zhongyuan Trust Co., Ltd.# (中原信託有限公司), respectively. Therefore, Henan Investment Group will be deemed to be interested in a total of 2,274,982,405 Domestic Shares under Part XV of the SFO.

# For identification purpose only

## FUND RAISING ACTIVITIES OF THE BANK IN THE PAST 12 MONTHS

The Directors confirm that the Bank has not been involved in any fund-raising activities in relation to the issuance of its equity securities within the 12 months immediately preceding the date of this announcement.

**As the Completion is subject to the satisfaction of the Conditions and the termination rights of the Placing Agents, the H Share Placement may or may not proceed. Shareholders and potential investors of the Bank should exercise caution when dealing in the securities of the Bank.**

By order of the Board  
**ZHONGYUAN BANK CO., LTD.\***  
**Xu Nuojin**  
*Chairman*

Zhengzhou, the PRC  
28 April 2022

*As at the date of this announcement, the Board comprises Mr. XU Nuojin, Mr. WANG Jiong, Mr. LI Yulin and Mr. WEI Jie as executive Directors; Ms. ZHANG Qiuyun and Mr. MI Hongjun as non-executive Directors; Ms. PANG Hong, Mr. LI Hongchang, Mr. JIA Tingyu and Mr. CHAN Ngai Sang Kenny as independent non-executive Directors.*

\* *Zhongyuan Bank 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.*