

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Postal Savings Bank of China Co., Ltd., you should at once hand this circular and the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Bank.

---



**PROPOSED NON-PUBLIC ISSUANCE OF A SHARES  
GRANT OF AUTHORIZATION TO THE BOARD OF DIRECTORS  
AND ITS AUTHORIZED  
PERSONS TO HANDLE THE SPECIFIC MATTERS RELATING TO  
THE NON-PUBLIC ISSUANCE OF A SHARES  
RE-ELECTION OF MR. WEN TIEJUN AS AN INDEPENDENT  
NON-EXECUTIVE DIRECTOR  
RE-ELECTION OF MR. CHUNG SHUI MING TIMPSON AS AN  
INDEPENDENT NON-EXECUTIVE DIRECTOR  
RE-ELECTION OF MS. PAN YINGLI AS AN INDEPENDENT  
NON-EXECUTIVE DIRECTOR  
ELECTION OF MR. TANG ZHIHONG AS AN INDEPENDENT  
NON-EXECUTIVE DIRECTOR  
DIRECTORS' REMUNERATION SETTLEMENT PLAN FOR 2021  
SUPERVISORS' REMUNERATION SETTLEMENT PLAN FOR 2021  
AND  
NOTICE OF THE 2022  
SECOND EXTRAORDINARY GENERAL MEETING**

---

Postal Savings Bank of China Co., Ltd. will convene the EGM at 10:00 a.m. on Friday, November 11, 2022 at the Head Office of the Bank (No. 3 Financial Street, Xicheng District, Beijing). The letter from the Board of Directors is set out on pages 3 to 21 of this circular. The notice of the EGM is set out on pages 22 to 24 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM. If you intend to appoint a proxy to attend the EGM, you are required to complete the enclosed proxy form in accordance with the instructions printed thereon. The proxy form should be returned to Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong) for H Shareholders, in any event served by hand or by post not less than 24 hours before the time designated for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

\* *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.*

October 26, 2022

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board of Directors</b> .....	3
<b>Notice of the 2022 Second Extraordinary General Meeting</b> .....	22
<b>Appendix I      Feasibility Report on the Use of Proceeds Raised From                          the Non-public Issuance of A Shares</b> .....	25
<b>Appendix II      Report on the Use of Previously Raised Proceeds</b> .....	30
<b>Appendix III     Dilution of Immediate Returns by the Non-public Issuance                          of A Shares, Remedial Measures and the Commitments                          of Related Entities</b> .....	33
<b>Appendix IV      Shareholders' Return Plan for the Next                          Three Years of 2023-2025</b> .....	42
<b>Appendix V      Biographies of Director Candidates</b> .....	48

---

## DEFINITIONS

---

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

“A Share Non-public Issuance Plan”	the A Share non-public issuance plan of the Bank pursuant to the General Mandate to be submitted to the Shareholders for consideration and approval at the EGM, details of which are set out in this circular
“A Share(s)”	Ordinary Share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in RMB and listed on the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Shares
“Articles of Association”	the Articles of Association of Postal Savings Bank of China Co., Ltd., as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Bank” or “Postal Savings Bank of China”	Postal Savings Bank of China Co., Ltd., a joint stock limited liability company incorporated in the PRC in accordance with PRC laws, including its predecessors, branches and sub-branches, directly-operated outlets and agency outlets (to the extent of agency outlets’ operations, risk management and licenses in relation to agency banking businesses they conduct) and subsidiaries (where the context so requires)
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“CBIRC”	China Banking and Insurance Regulatory Commission
“China Post Group”	China Post Group Co., Ltd., a wholly state-owned company restructured from the former China Post Group Corporation in accordance with the Company Law of the People’s Republic of China, is the controlling Shareholder of the Bank
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Bank

---

## DEFINITIONS

---

“EGM”	the 2022 second extraordinary general meeting to be convened by the Bank at 10:00 a.m. on Friday, November 11, 2022 at the Head Office of the Bank (No. 3 Financial Street, Xicheng District, Beijing)
“General Mandate”	the general mandate to issue Shares granted to the Board by the Shareholders at 2021 annual general meeting, to separately or concurrently allot, issue and deal with additional A Shares and/or H Shares, preference shares and/or options (including warrants, convertible bonds and other securities with rights to subscribe for or convert into shares) up to a maximum of 20 percent of the respective number of A Shares and H Shares in issue on the date of the general mandate being approved by the Shareholders at the general meeting
“H Share(s)”	Ordinary Share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Shareholder(s)”	the Shareholder(s) of the Bank except for China Post Group and its associates
“Latest Practicable Date”	October 26, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Non-public Issuance of A Shares” or “Non-public Issuance”	the non-public issuance of A Shares by the Bank pursuant to the A Share Non-public Issuance Plan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)” or “Ordinary Share(s)”	the A Share(s) and/or H Share(s) of the Bank
“Shareholder(s)”	holder(s) of Shares of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank

---

LETTER FROM THE BOARD OF DIRECTORS

---



**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)**

***Board of Directors:***

*Executive Directors:*

Mr. Liu Jianjun *(Acting on behalf of  
the Chairman of the Board)*

Mr. Zhang Xuewen

Ms. Yao Hong

*Non-executive Directors:*

Mr. Han Wenbo

Mr. Chen Donghao

Mr. Wei Qiang

Mr. Liu Yue

Mr. Ding Xiangming

*Independent Non-executive Directors:*

Mr. Fu Tingmei

Mr. Wen Tiejun

Mr. Chung Shui Ming Timpson

Mr. Hu Xiang

Ms. Pan Yingli

*To the Shareholders:*

Dear Sir or Madam,

**I. INTRODUCTION**

On behalf of the Board of Directors, I would like to invite you to attend the EGM to be convened at 10:00 a.m. on Friday, November 11, 2022 at the Head Office of the Bank (No. 3 Financial Street, Xicheng District, Beijing).

The purpose of this circular is to provide you with the notice of the EGM and all reasonably necessary information, to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

### II. MATTERS TO BE CONSIDERED AT THE EGM

Resolutions to be proposed and approved at the EGM include: (1) the Proposal Regarding Postal Savings Bank of China's Eligibility for the Non-public Issuance of A Shares; (2) the Proposal Regarding the A Share Non-public Issuance Plan by Postal Savings Bank of China; (3) the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised From the Non-public Issuance of A Shares of Postal Savings Bank of China; (4) the Proposal Regarding the Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China; (5) the Proposal Regarding the Dilution of Immediate Returns by the Non-public Issuance of A Shares, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China; (6) the Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2023-2025; (7) the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Non-public Issuance of A Shares; (8) the Proposal Regarding the Re-election of Mr. Wen Tiejun as an Independent Non-executive Director of Postal Savings Bank of China; (9) the Proposal Regarding the Re-election of Mr. Chung Shui Ming Timpson as an Independent Non-executive Director of Postal Savings Bank of China; (10) the Proposal Regarding the Re-election of Ms. Pan Yingli as an Independent Non-executive Director of Postal Savings Bank of China; (11) the Proposal Regarding the Election of Mr. Tang Zhihong as an Independent Non-executive Director of Postal Savings Bank of China; (12) the Proposal Regarding Directors' Remuneration Settlement Plan of Postal Savings Bank of China for 2021; and (13) the Proposal Regarding Supervisors' Remuneration Settlement Plan of Postal Savings Bank of China for 2021. Particularly, Proposals (1), (3) to (6), and (8) to (13) are ordinary resolutions, and Proposals (2) and (7) are special resolutions.

#### 1. Proposal Regarding Postal Savings Bank of China's Eligibility for the Non-public Issuance of A Shares

In accordance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Implementation Rules for Non-public Issuance of Shares by Listed Companies, Questions and Answers on Issuance Supervision — Regulatory Requirements on Guiding and Regulating the Financing Activities of Listed Companies (Revised Version) and other related laws, administrative regulations and normative documents, after self-examination on the actual operation and relevant matters of the Bank item by item, it is considered that the Bank has complied with the relevant conditions for the Non-public Issuance of A Shares.

The Proposal Regarding Postal Savings Bank of China's Eligibility for the Non-public Issuance of A Shares was considered and approved by the Board on October 26, 2022 and is now submitted to the Shareholders for consideration and approval at the EGM.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

### 2. Proposal Regarding the A Share Non-public Issuance Plan by Postal Savings Bank of China

According to the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Implementation Rules for Non-public Issuance of Shares by Listed Companies, Questions and Answers on Issuance Supervision — Regulatory Requirements on Guiding and Regulating the Financing Activities of Listed Companies (Revised Version) and other relevant laws, administrative regulations and normative documents, the Bank drew up the A Share Non-public Issuance Plan. The details are as follows:

#### A. *Non-public Issuance plan*

##### (I) *Class and nominal value of securities to be issued*

The A Shares to be issued under the Non-public Issuance are the Bank's domestically listed Ordinary Shares denominated in RMB with a nominal value of RMB1.00 per Share.

##### (II) *Method and time of issuance*

The Shares will be issued to the target subscriber by way of non-public offering. The Bank will issue Shares at an appropriate time within the validity period upon obtaining the approval documents of the CSRC in respect of the Non-public Issuance.

##### (III) *Amount and use of raised proceeds*

According to the capital planning of the Bank, the proceeds from the Non-public Issuance of A Shares shall not exceed RMB45 billion (inclusive) which, after deducting the relevant issuance expenses, will be fully used to replenish the core tier 1 capital of the Bank. The amount of proceeds will depend on the final issuance plan approved by the relevant regulatory authorities.

##### (IV) *Target subscriber and subscription method*

The Non-public Issuance targets no more than 35 specific persons that meet the laws, administrative regulations and requirements of the CSRC, including securities investment and fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, asset management companies, qualified foreign institutional investors and other institutional investors, legal and natural persons, etc. Securities investment and fund management companies, securities companies, qualified foreign institutional investors, and RMB qualified foreign institutional investors who made subscription based on more than two products under their management shall be regarded as one target subscriber. Trust companies can only make subscription with their own funds provided that they are the subscribers. If there are new requirements under the laws and administrative regulations on the issuance of non-public shares, the Bank will make adjustments in accordance with the new requirements.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

As of the Latest Practicable Date, the Non-public Issuance has not yet determined the target subscribers. Upon the approval of the CSRC for the Non-public Issuance, the Board of Directors shall be authorized by the Shareholders' general meeting, and the Board of Directors shall in return authorize the Chairman and the President or other persons authorized by the Chairman and the President to jointly or individually, with the lead underwriters, determine the target subscribers according to the requirements of relevant laws, administrative regulations and normative documents, the conditions of the subscription and quotations as well as the price-first principle. The Bank shall announce the target subscriber(s) after final identification has been made. All the issuers shall subscribe for the Shares issued by the Bank under the Non-public Issuance in cash.

The qualifications and shareholding ratios of the target subscribers of the Non-public Issuance shall comply with the relevant regulations of the CBIRC.

In the event that any A Shares under the Non-public Issuance are issued to any connected persons of the Bank, the Bank will comply with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules, including but not limited to the requirements on announcement and Independent Shareholders' approval.

*(V) Pricing benchmark date, issue price and pricing principle*

The pricing benchmark date of the Non-public Issuance shall be the first day of the issuance period. The price of Shares to be issued under the Non-public Issuance shall not be lower than the higher of the following:

- (1) 80% of the average trading price (rounded up to the nearest two decimal places) of the RMB Ordinary Shares of the Bank for the 20 trading days preceding the pricing benchmark date (excluding the pricing benchmark date, the same below). The average trading price of the RMB Ordinary Shares for the 20 trading days preceding the pricing benchmark date is equal to the total trading amount of the RMB Ordinary Shares of the Bank for the 20 trading days preceding the pricing benchmark date divided by the total trading volume of the RMB Ordinary Shares for the 20 trading days preceding the pricing benchmark date. In the event that there are ex-right or ex-dividend activities causing adjustment to the share prices during the 20 trading days, the trading prices for the trading days before such adjustment shall be calculated on the basis of the adjusted price caused by the ex-right or ex-dividend activities;
- (2) the latest audited net assets per Share of the Bank attributable to the ordinary Shareholders of the parent company before the issuance. In the event that the Bank distributes dividends, grants bonus shares, allots Shares, converts capital reserve to share capital or carries out other ex-right or ex-dividend activities during the period commencing from the balance sheet date of the latest audited financial reports before the issuance to the issuance date, adjustments shall be made to the abovementioned net assets per Share accordingly. For reference purpose only, the audited net asset value per Share of the Bank as of the end of 2021 was RMB6.89 per Share, and the net asset value per Share after ex-dividend was RMB6.64 per Share.



---

## LETTER FROM THE BOARD OF DIRECTORS

---

The pricing benchmark date and final issue price under the Non-public Issuance will be determined, jointly or individually, by the Board authorized by the Shareholders' general meeting, the Chairman and the President delegated by the Board or other persons authorized by the Chairman and the President with the lead underwriters through negotiation in accordance with relevant laws, administrative regulations and normative documents and the opinions and recommendations of regulatory authorities and based on the subscription price quoted by target subscribers and the price-first principle.

The aforesaid pricing basis complies with the Administrative Measures for the Issuance of Securities by Listed Companies and other laws, administrative regulations and the spirit of state-owned assets supervision. In the event of new provisions on the pricing benchmark date, issue price and pricing principle of Shares to be issued under the Non-public Issuance by relevant laws, administrative regulations and normative documents, then it will be proposed at the Shareholders' general meeting to authorize the Board, and the Board will delegate the authority to the Chairman and the President or other persons authorized by the Chairman and the President, to jointly or individually, make corresponding adjustment based on the authorization granted at the Shareholders' general meeting and in accordance with new requirements.

### *(VI) Number of Shares to be issued*

The number of A Shares under the Non-public Issuance will not exceed 6,777,108,433 Shares (inclusive) and shall be subject to the number of Shares approved to be issued by the CSRC. The maximum number of Shares under the Non-public Issuance will be adjusted accordingly in cases of ex-right matters of the Bank such as bonus issue and conversion of capital reserve into share capital during the period from the date of announcement of Board resolution to the date of issuance.

The final number of A Shares under the Non-public Issuance will be determined, jointly or individually, by the Board authorized by the Shareholders' general meeting, the Chairman and the President delegated by the Board or other persons authorized by the Chairman and the President with the lead underwriters through negotiation under the authorization granted at the Shareholders' general meeting and based on the upper limit of the number, the maximum amount of the total proceeds raised and issue price approved by the CRSC and other specific situations.

### *(VII) Lock-up period of Shares to be issued*

The Shares subscribed by the target subscribers under the Non-public Issuance shall not be transferred within six months from the date of completion of the issuance. If relevant regulatory authority requires otherwise in respect of the lock-up

---

## LETTER FROM THE BOARD OF DIRECTORS

---

period for the Shares subscribed for by the target subscribers and the transfer of Shares upon expiry of the lock-up period, such requirements shall prevail. Shares derived from distribution of share dividends and conversion of capital reserve into share capital by the Bank are also subject to the above-mentioned lock-up arrangements for Shares. After the lock-up period, transfer of the Shares subscribed by the target subscribers under the Non-public Issuance will be effected in accordance with relevant laws, administrative regulations and normative documents such as the Company Law of the People's Republic of China and the relevant rules of the CSRC and the Shanghai Stock Exchange.

In the event of new provisions on the lock-up period of Shares to be issued under the Non-public Issuance by relevant laws, administrative regulations and normative documents, then it will be proposed at the Shareholders' general meeting to authorize the Board, and the Board will delegate the authority to the Chairman and the President or other persons authorized by the Chairman and the President, to jointly or individually, make corresponding adjustment based on the authorization granted at the Shareholders' general meeting and in accordance with new requirements.

*(VIII) Listing venue*

The A Shares to be issued under the Non-public Issuance will be listed on the Shanghai Stock Exchange.

*(IX) Arrangement of accumulated undistributed profits prior to the completion of the issuance*

The accumulated undistributed profits prior to the completion of the Non-public Issuance will be shared by the new and old Shareholders after the completion of the issuance.

*(X) Validity period of the resolution*

The A Share Non-public Issuance Plan shall be submitted to the Shareholders' general meeting of the Bank for consideration item by item. The resolution of the Non-public Issuance of A Shares shall be valid within twelve months from the date when the resolution is considered and approved at the EGM.

***B. Reasons for the issuance***

In order to continue to meet regulatory standards in respect of capital for commercial banks, improve the capital adequacy level and promote the steady and healthy development of businesses, the Bank proposes to non-publicly issue A Shares.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

***C. Approvals at the Board, Shareholders' general meeting and from the regulatory authorities***

The Board considers that the pricing basis of the Non-public Issuance is fair and reasonable and in the interests of the Bank and the Shareholders as a whole. The Non-public Issuance has been considered and approved by the Board. Pursuant to the relevant PRC laws and regulations as well as the Hong Kong Listing Rules, the implementation of the Non-public Issuance is subject to (i) the approval by the Shareholders at the EGM; (ii) the approval by the CBIRC; and (iii) the approval by the CSRC. The A Share Non-public Issuance Plan is subject to the final plan to be approved by the aforesaid regulatory authorities. Any of the above conditions shall not be waived; therefore, if any of the above conditions are not fulfilled, the Bank shall not proceed with the Non-public Issuance.

As at the Latest Practicable Date, the Bank has not submitted the application of the Non-public Issuance to the CBIRC or CSRC for approval. In accordance with the applicable laws and regulations of the PRC, the Bank will submit the application of the Non-public Issuance to the CBIRC and CSRC for approval after the approval of the Non-public Issuance by the Shareholders at the EGM.

***D. Effect of the Non-public Issuance of A Shares on the shareholding structure of the Bank***

The following table sets out the shareholding structure of the Bank as at the Latest Practicable Date and immediately after the completion of the Non-public Issuance (on the assumption that (1) 6,777,108,433 A Shares will be issued under the Non-public Issuance (representing 7.34% of the total issued share capital of the Bank as of the Latest Practicable Date and 6.83% of the total issued share capital of the Bank as enlarged by the maximum issuance of A Shares under the Non-public Issuance); (2) no connected persons of the Bank will subscribe for the A Shares under Non-public Issuance; (3) none of the existing Shareholders will become the connected persons of the Bank due to subscribing for the A Shares under Non-public Issuance; and (4) there will be no further change in the existing shareholding structure of the Bank until the completion of the Non-public Issuance):

Name of Shareholders	As at the Latest Practicable Date		Immediately after the completion of the Non-public Issuance	
	Number of Shares	As a percentage of total issued Shares	Number of Shares	As a percentage of total issued Shares
A Shares				
– China Post Group	62,169,089,280	67.29%	62,169,089,280	62.70%
– Public A Shareholders	10,358,711,325	11.21%	17,135,819,758	17.28%
<b>Total issued A Shares</b>	<b>72,527,800,605</b>	<b>78.51%</b>	<b>79,304,909,038</b>	<b>79.98%</b>

---

## LETTER FROM THE BOARD OF DIRECTORS

---

Name of Shareholders	As at the Latest Practicable Date	Immediately after the completion of the Non-public Issuance		
	Number of Shares	As a percentage of total issued Shares	Number of Shares	As a percentage of total issued Shares
H Shares				
– China Post Group	80,700,000	0.09%	80,700,000	0.08%
– DBS Bank Ltd. <sup>(1)</sup>	398,460,000	0.43%	398,460,000	0.40%
– Public H Shareholders	19,377,007,000	20.97%	19,377,007,000	19.54%
<b>Total issued H Shares</b>	<b>19,856,167,000</b>	<b>21.49%</b>	<b>19,856,167,000</b>	<b>20.02%</b>
<b>Total issued Shares</b>	<b>92,383,967,605</b>	<b>100%</b>	<b>99,161,076,038</b>	<b>100%</b>

*Notes:*

- (1) DBS Bank Ltd., as the substantial Shareholder of PSBC Consumer Finance Co., Ltd., a subsidiary of the Bank, is a core connected person (as defined in the Hong Kong Listing Rules) of the Bank, therefore the Shares held by DBS Bank Ltd. shall not be calculated as a part of the public Shares.
- (2) Percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Based on publicly available information and to the knowledge of the Board, as at the Latest Practicable Date, the Bank has maintained sufficient public float in compliance with the minimum requirement under Rule 8.08 of the Hong Kong Listing Rules.

Based on publicly available information and to the knowledge of the Board, assuming that a total of 6,777,108,433 A Shares will be issued pursuant to the Non-public Issuance and that there are no other changes to the share capital of the Bank prior to the completion of the Non-public Issuance, the public float percentage of the Bank immediately after the Non-public Issuance will continue to satisfy the minimum requirement under Rule 8.08 of the Hong Kong Listing Rules.

***E. Whether the Non-public Issuance leads to changes in the controlling right over the Bank***

Upon the completion of the Non-public Issuance, China Post Group will remain the controlling Shareholder and de facto controller of the Bank. Therefore, the Non-public Issuance will not lead to any changes in the controlling right over the Bank.

***F. Equity fund raising activities in the past twelve months***

The Bank did not conduct any equity fund raising activity or issue any equity securities within the 12 months immediately preceding the Latest Practicable Date.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

### *G. General Mandate to issue A Shares*

The Bank will issue the A Shares under the General Mandate granted by the Shareholders at the 2021 annual general meeting held on June 28, 2022 of the Bank.

The Proposal Regarding the A Share Non-public Issuance Plan by Postal Savings Bank of China was considered and approved by the Board on October 26, 2022 and is now proposed to Shareholders for consideration and approval at the EGM.

### **3. Proposal Regarding the Feasibility Report on the Use of Proceeds Raised From the Non-public Issuance of A Shares of Postal Savings Bank of China**

According to the Administrative Measures for the Issuance of Securities by Listed Companies by the CSRC, the Bank has prepared Feasibility Report on the Use of Proceeds Raised From the Non-public Issuance of A Shares of Postal Savings Bank of China, which analyzed and reported on the use of raised proceeds, the necessity and feasibility of Non-public Issuance and the impact on the Bank's business management and financial status. See Appendix I for details.

After deduction of the expenses relating to the issuance, the proceeds raised from the issuance will be fully applied to replenish the core tier 1 capital of the Bank. The Bank will reasonably utilize the proceeds, actively support the transformation and development of businesses, strengthen capital constraint and reduce capital consumption so as to maintain sound return on net assets.

The Proposal Regarding the Feasibility Report on the Use of Proceeds Raised From the Non-Public Issuance of A Shares of Postal Savings Bank of China was considered and approved by the Board on October 26, 2022 and is now submitted to the Shareholders for consideration and approval at the EGM.

### **4. Proposal Regarding the Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China**

The Bank has prepared the Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China. See Appendix II for details.

The Proposal Regarding the Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China was considered and approved by the Board on October 26, 2022 and is now submitted to the Shareholders for consideration and approval at the EGM.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

### **5. Proposal Regarding the Dilution of Immediate Returns by the Non-public Issuance of A Shares, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China**

In accordance with the relevant requirements of the Several Opinions of the State Council on Further Promoting the Healthy Development of Capital Markets, the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets and the Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring by the CSRC, the Bank has formulated the Dilution of Immediate Returns by the Non-public Issuance of A Shares, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China, conducted relevant analysis in respect of the impact of the Non-public Issuance of A Shares on the dilution of the immediate returns and formulated relevant remedial measures in light of the actual situation. See Appendix III for details.

The Proposal Regarding the Dilution of Immediate Returns by the Non-public Issuance of A Shares, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China was considered and approved by the Board on October 26, 2022 and is now submitted to the Shareholders for consideration and approval at the EGM.

### **6. Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2023-2025**

In order to further strengthen the intent of rewarding Shareholders, improve the profit distribution system and offer reasonable, continuous and stable investment returns to Shareholders, the Bank has formulated the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2023-2025 in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Notice of the China Securities Regulatory Commission on Further Implementing Matters Relevant to the Cash Dividend Distribution by Listed Companies and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies and the Articles of Association, while taking into full account its actual operation condition and the needs of future development. See Appendix IV for details.

The Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2023-2025 was considered and approved by the Board on October 26, 2022 and is now submitted to the Shareholders for consideration and approval at the EGM.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

### **7. Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Non-public Issuance of A Shares**

In accordance with the arrangements of the Non-public Issuance of the A Shares of the Bank and for the purpose of carrying out the Non-public Issuance in an efficient and orderly manner, it will be proposed at the Shareholders' general meeting to authorize the Board, and the Board will delegate the authority to the Chairman and the President or other persons authorized by the Chairman and the President, to jointly or individually, deal with matters relevant to the Non-public Issuance subject to the framework and principles approved at the Shareholders' general meeting and in compliance with the requirements of relevant laws, administrative regulations and normative documents as well as opinions and recommendations of regulatory authorities. These matters include but are not limited to:

- (I) formulating, adjusting, amending, supplementing and implementing the specific plan of the Non-public Issuance, including but not limited to determining or adjusting the time of issuance, size of issuance, target subscriber, issue price and other matters as well as remedial measures for immediate returns, shareholder return planning and other contents related to the issuance plan, according to the relevant laws, administrative regulations and normative documents, as well as opinions and recommendations of the regulatory authorities, while taking into consideration of the market environment and the specific conditions of the Bank;
- (II) drafting, amending and signing various applications, relevant reports or materials in relation to the Non-public Issuance and submitting them to relevant government agencies, regulatory authorities, stock exchanges and securities registration and clearing houses (including but not limited to the CBIRC, the CSRC, the Hong Kong Stock Exchange, the Shanghai Stock Exchange, and Shanghai Branch of China Securities Depository and Clearing Corporation Limited), completing the procedures for approval, registration, filing, ratification, permission, listing and other procedures, and handling the information disclosure for the Non-public Issuance in accordance with regulatory requirements;
- (III) deciding upon and engaging the intermediary institutions that participate in the Non-public Issuance, as well as amending, supplementing, signing, implementing and terminating any agreement, contract and document related to the Non-public Issuance (including but not limited to sponsorship and underwriting agreements, intermediary engagement agreements, agreements related to raised funds, subscription agreements entered into with investors, announcements and other disclosure documents);
- (IV) upon the completion of the Non-public Issuance, applying for change in registered capital as appropriate and modifying the relevant provisions in the Articles of Association in accordance with the results of the Non-public Issuance, and reporting to the relevant government agencies and regulatory authorities for approval or filing

---

## LETTER FROM THE BOARD OF DIRECTORS

---

after submitting to the corporate governance procedure for decision making, and completing the change of registration, the registration and custody of new Shares and other relevant matters with the market supervision and administration departments and other relevant departments;

- (V) opening a special account for proceeds from the Non-public Issuance, and handling the relevant matters in relation to the use of proceeds from the Non-public Issuance;
- (VI) subject to the applicable PRC laws, if there are new requirements on policies in respect of listed companies issuing new Shares under the laws, administrative regulations and normative documents and by relevant regulatory authorities and if there are changes in market conditions, except for those which are subject to another voting at a Shareholders' general meeting of the Bank and cannot be authorized as required by relevant laws, administrative regulations, normative documents and the Articles of Association, adjusting the plan of the Non-public Issuance in accordance with relevant rules and requirements of regulatory authorities (including any feedback upon review of the application for the Non-public Issuance) and the market situation, and continuing to handle the matters related to the Non-public Issuance;
- (VII) further analysing and demonstrating the impacts of the Non-public Issuance on the immediate returns of the Bank, formulating and modifying relevant remedial measures and policies, and handling other relevant matters, in the event that the laws, administrative regulations and normative documents impose new requirements or relevant regulatory authorities require any changes to be made regarding compensating immediate returns for refinancing;
- (VIII) handling other matters that are necessary, suitable and appropriate for the Non-public Issuance on behalf of the Bank, subject to the relevant laws, administrative regulations and normative documents.

The above authorization will be valid for 12 months commencing from the date of approval at the Shareholders' general meeting of the Bank.

The Proposal to Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Non-Public Issuance of A Shares was considered and approved by the Board on October 26, 2022 and is now proposed to Shareholders for consideration and approval at the EGM.



---

## LETTER FROM THE BOARD OF DIRECTORS

---

### **8. Proposal Regarding the Re-election of Mr. Wen Tiejun as an Independent Non-executive Director of Postal Savings Bank of China**

Reference is made to the announcement of the Bank dated October 26, 2022 in relation to, among others, the proposed re-election of the Directors of the Bank. The proposal regarding the re-election of Mr. Wen Tiejun as the candidate for Independent Non-executive Director of the Bank was considered and approved by the Board. The term of office of Mr. Tang Zhihong as a Director shall be three years commencing from the date of consideration and approval at the EGM.

Please refer to “Appendix V” for the biography of Mr. Wen Tiejun.

The Proposal Regarding the Re-election of Mr. Wen Tiejun as an Independent Non-executive Director of Postal Savings Bank of China was considered and approved by the Board on October 26, 2022, and is hereby proposed to the EGM for Shareholders’ consideration and approval.

### **9. Proposal Regarding the Re-election of Mr. Chung Shui Ming Timpson as an Independent Non-executive Director of Postal Savings Bank of China**

Reference is made to the announcement of the Bank dated October 26, 2022 in relation to, among others, the proposed re-election of the Directors of the Bank. The proposal regarding the re-election of Mr. Chung Shui Ming Timpson as the candidate for Independent Non-executive Director of the Bank was considered and approved by the Board. The term of office of Mr. Chung Shui Ming Timpson as a Director shall be three years commencing from the date of consideration and approval at the EGM.

Please refer to “Appendix V” for the biography of Mr. Chung Shui Ming Timpson.

The Proposal Regarding the Re-election of Mr. Chung Shui Ming Timpson as an Independent Non-executive Director of Postal Savings Bank of China was considered and approved by the Board on October 26, 2022, and is hereby proposed to the EGM for Shareholders’ consideration and approval.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

### **10. Proposal Regarding the Re-election of Ms. Pan Yingli as an Independent Non-executive Director of Postal Savings Bank of China**

Reference is made to the announcement of the Bank dated October 26, 2022 in relation to, among others, the proposed re-election of the Directors of the Bank. The proposal regarding the re-election of Ms. Pan Yingli as the candidate for Independent Non-executive Director of the Bank was considered and approved by the Board. The term of office of Ms. Pan Yingli as a Director shall be three years commencing from the date of consideration and approval at the EGM.

Please refer to “Appendix V” for the biography of Ms. Pan Yingli.

The Proposal Regarding the Re-election of Ms. Pan Yingli as an Independent Non-executive Director of Postal Savings Bank of China was considered and approved by the Board on October 26, 2022, and is hereby proposed to the EGM for Shareholders’ consideration and approval.

### **11. Proposal Regarding the Election of Mr. Tang Zhihong as an Independent Non-executive Director of Postal Savings Bank of China**

Reference is made to the announcement of the Bank dated October 26, 2022 in relation to, among others, the proposed nomination of the Directors of the Bank. The proposal regarding the election of Mr. Tang Zhihong as the candidate for Independent Non-executive Director of the Bank was considered and approved by the Board. The term of office of Mr. Tang Zhihong as a Director shall be three years commencing from the date of approval of his qualifications by the CBIRC. From the date of Mr. Tang Zhihong taking office, Mr. Fu Tingmei shall cease to perform the duties of Independent Non-executive Director and those of the special committees under the Board of the Bank due to the expiration of his term of office after six years.

Please refer to “Appendix V” for the biography of Mr. Tang Zhihong.

The Proposal Regarding the Election of Mr. Tang Zhihong as an Independent Non-executive Director of Postal Savings Bank of China was considered and approved by the Board on October 26, 2022, and is hereby proposed to the EGM for Shareholders’ consideration and approval.

## LETTER FROM THE BOARD OF DIRECTORS

### 12. Proposal Regarding Directors' Remuneration Settlement Plan of Postal Savings Bank of China for 2021

According to the Directors' remuneration plan and the relevant regulations, and taking into account the Bank's strategic performance appraisal and the performance of the Directors in 2021, the remuneration settlement plan for the Bank's Directors for 2021 is formulated as follows:

*Unit: in RMB10,000*

Name	Title	Remuneration from the Bank before tax in 2021			Obtain remuneration from Shareholders' companies or other related parties or not during the tenure in 2021
		Remuneration payable	Contribution by the employer to social insurance, housing provident fund, enterprise annuity, etc.	Other monetary income	
Liu Jianjun	Executive Director, President	-	-	-	Yes
Zhang Xuewen	Executive Director, Vice President	180.19	25.81	-	No
Yao Hong	Executive Director, Vice President	164.94	25.16	-	No
Han Wenbo	Non-executive Director	-	-	-	Yes
Chen Donghao	Non-executive Director	-	-	-	Yes
Wei Qiang	Non-executive Director	-	-	-	Yes
Liu Yue	Non-executive Director	-	-	-	Yes
Ding Xiangming	Non-executive Director	-	-	-	Yes
Fu Tingmei	Independent Non-executive Director	46.00	-	-	Yes
Wen Tiejun	Independent Non-executive Director	46.00	-	-	No
Chung Shui Ming Timpson	Independent Non-executive Director	43.00	-	-	Yes
Hu Xiang	Independent Non-executive Director	44.00	-	-	Yes
Pan Yingli	Independent Non-executive Director	44.00	-	-	Yes
<b>Resigned Personnel</b>					
Zhang Jinliang	Former Chairman, Non-executive Director	-	-	-	Yes

## LETTER FROM THE BOARD OF DIRECTORS

Name	Title	Remuneration from the Bank before tax in 2021			Obtain remuneration from Shareholders' companies or other related parties or not during the tenure in 2021
		Remuneration payable	Contribution by the employer to social insurance, housing provident fund, enterprise annuity, etc.	Other monetary income	
Guo Xinshuang	Former Executive Director, President	–	–	–	Yes
Liu Yaogong	Former Non-executive Director	–	–	–	Yes

*Notes:*

- (1) The remuneration disclosed in the above table is all pre-tax remuneration payable to Directors of the Bank during the reporting period (excluding the performance-based annual remunerations paid in 2021 for the previous years), which includes the amount disclosed in the Bank's 2021 annual report.
- (2) Among the pre-tax remuneration of relevant Directors, the payment of part of performance-based annual remunerations is deferred for a three-year period and the proportion payable each year is one-third of the amount. The Bank will annul part or all of the unpaid amount should any excessive risk exposure emerge within their respective duties during the deferral period in accordance with the severity of the events. In case of serious events, the Bank will reclaim the relevant remuneration that has been paid.
- (3) Non-executive Directors Han Wenbo, Chen Donghao, Wei Qiang, Liu Yue and Ding Xiangming did not receive remuneration from the Bank in 2021.
- (4) Mr. Zhang Jinliang, former Chairman and Non-executive Director, received remuneration from China Post Group, the controlling Shareholder of the Bank, and did not receive remuneration from the Bank in 2021.
- (5) Mr. Guo Xinshuang, former Executive Director and President of the Bank, received remuneration from China Post Group, the controlling Shareholder of the Bank, and did not receive remuneration from the Bank in 2021.
- (6) Former Non-executive Director Mr. Liu Yaogong did not receive remuneration from the Bank in 2021.
- (7) Please refer to the Bank's 2020 and 2021 annual reports for the terms of office of the Directors.

The Directors' remuneration settlement plan of Postal Savings Bank of China for 2021 was considered and approved by the Board on October 26, 2022, and is hereby proposed to the EGM for Shareholders' consideration and approval.

## LETTER FROM THE BOARD OF DIRECTORS

### 13. Proposal Regarding Supervisors' Remuneration Settlement Plan of Postal Savings Bank of China for 2021

According to the Supervisors' Remuneration Plan and the relevant regulations, and taking into account the Bank's strategic performance appraisal and the performance of the Supervisors in 2021, the remuneration settlement plan for the Bank's Supervisors for 2021 is formulated as follows:

*Unit: in RMB10,000*

Name	Title	Remuneration from the Bank before tax in 2021			Obtain remuneration from Shareholders' companies or other related parties or not during the tenure in 2021
		Remuneration payable	Contribution by the employer to social insurance, housing provident fund, enterprise annuity, etc.	Other monetary income	
Chen Yuejun	Shareholder Representative Supervisor, Chairman of the Board of Supervisors	174.14	25.87	-	No
Zhao Yongxiang	Shareholder Representative Supervisor	-	-	-	Yes
Wu Yu	External Supervisor	30.00	-	-	Yes
Bai Jianjun	External Supervisor	30.00	-	-	Yes
Chen Shimin	External Supervisor	30.00	-	-	Yes
Li Yue	Employee Supervisor	-	-	-	No
Bu Dongsheng	Employee Supervisor	-	-	-	No
Gu Nannan	Employee Supervisor	-	-	-	No
<b>Resigned Personnel</b>					
Li Yujie	Former Shareholder Representative Supervisor	-	-	-	Yes
Song Changlin	Former Employee Supervisor	-	-	-	No

---

## LETTER FROM THE BOARD OF DIRECTORS

---

*Notes:*

- (1) The remuneration disclosed in the above table is the all pre-tax remuneration payable to the Bank's Supervisors during the reporting period (excluding the performance-based annual remunerations paid in 2021 for the previous years), which includes the amount disclosed in the Bank's 2021 annual report.
- (2) Among the pre-tax remuneration of Mr. Chen Yuejun, Chairman of the Board of Supervisors and Shareholder Representative Supervisor, the payment of part of performance-based annual remunerations is deferred for a three-year period and the proportion payable each year is one-third of the amount. The Bank will annul part or all of the unpaid amount should any excessive risk exposure emerge within his duty during the deferral period in accordance with the severity of the events. In case of serious events, the Bank will reclaim the relevant remuneration that has been paid.
- (3) Mr. Zhao Yongxiang, Shareholder Representative Supervisor of the Bank, did not receive remuneration from the Bank in 2021.
- (4) Employee Supervisors of the Bank do not receive remuneration from the Bank as Employee Supervisors, and the remuneration due to them as employees of the Bank is not included here.
- (5) Mr. Li Yujie, former Shareholder Representative Supervisor of the Bank, did not receive remuneration from the Bank in 2021.
- (6) Mr. Song Changlin, former Employee Supervisor of the Bank, did not receive remuneration from the Bank as Employee Supervisor, and the remuneration due to him as employee of the Bank is not included here.
- (7) Please refer to the Bank's 2020 and 2021 annual reports for the terms of office of the Supervisors.

The Supervisors' remuneration settlement plan of Postal Savings Bank of China for 2021 was considered and approved by the Board on October 26, 2022, and is hereby proposed to the EGM for Shareholders' consideration and approval.

### III. THE EGM

Enclosed is the form of proxy for the EGM.

If you intend to appoint a proxy to attend the EGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon. H Shareholders shall return the proxy form to Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong by hand or by post as soon as possible and in any event not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire.

In order to determine the list of H Shareholders who are entitled to attend the EGM, the Bank's H Share register of members will be closed from Thursday, November 10, 2022 to Friday, November 11, 2022, during which period no transfer of the H Shares of the Bank will be affected. To attend the EGM, H Shareholders shall, before 4:30 p.m. on Wednesday, November 9, 2022, submit the share certificates and share transfer documents to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong.

---

## LETTER FROM THE BOARD OF DIRECTORS

---

### IV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a Shareholders' general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolutions proposed at the EGM will be voted by poll.

### V. RECOMMENDATIONS

The Board considers that all resolutions proposed at the EGM are in the interests of the Bank and its Shareholders as a whole. As such, the Board recommends you to vote in favour of all resolutions to be proposed at the EGM.

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

October 26, 2022

---

## NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING

---



### 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)**

#### NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2022 second extraordinary general meeting (the “EGM”) of Postal Savings Bank of China Co., Ltd. (the “**Bank**”) will be held at the Head Office of the Bank (No. 3 Financial Street, Xicheng District, Beijing) at 10:00 a.m. on Friday, November 11, 2022 to consider and approve the following resolutions:

1. To consider and approve the Proposal Regarding Postal Savings Bank of China's Eligibility for the Non-public Issuance of A Shares;
2. To consider and individually approve each of the following items of the Proposal Regarding the A Share Non-public Issuance Plan by Postal Savings Bank of China:
  - (1) Class and nominal value of securities to be issued
  - (2) Method and time of issuance
  - (3) Amount and use of raised proceeds
  - (4) Target subscriber and subscription method
  - (5) Pricing benchmark date, issue price and pricing principle
  - (6) Number of Shares to be issued
  - (7) Lock-up period of Shares to be issued
  - (8) Listing venue
  - (9) Arrangement of accumulated undistributed profits prior to the completion of the issuance
  - (10) Validity period of the resolution
3. To consider and approve the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised From the Non-public Issuance of A Shares of Postal Savings Bank of China;
4. To consider and approve the Proposal Regarding the Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China;
5. To consider and approve the Proposal Regarding the Dilution of Immediate Returns by the Non-public Issuance of A Shares, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China;



## **NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING**

6. To consider and approve the Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2023-2025;
7. To consider and approve the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Non-public Issuance of A Shares;
8. To consider and approve the Proposal Regarding the Re-election of Mr. Wen Tiejun as an Independent Non-executive Director of Postal Savings Bank of China;
9. To consider and approve the Proposal Regarding the Re-election of Mr. Chung Shui Ming Timpson as an Independent Non-executive Director of Postal Savings Bank of China;
10. To consider and approve the Proposal Regarding the Re-election of Ms. Pan Yingli as an Independent Non-executive Director of Postal Savings Bank of China;
11. To consider and approve the Proposal Regarding the Election of Mr. Tang Zhihong as an Independent Non-executive Director of Postal Savings Bank of China;
12. To consider and approve the Proposal Regarding Directors' Remuneration Settlement Plan of Postal Savings Bank of China for 2021; and
13. To consider and approve the Proposal Regarding Supervisors' Remuneration Settlement Plan of Postal Savings Bank of China for 2021.

In the above resolutions, items 1, 3 to 6 and 8 to 13 are ordinary resolutions, items 2 and 7 are special resolutions, among which, the items of Non-Public Issuance of A Shares in Proposal 2 must be approved individually.

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

Beijing, the PRC  
October 26, 2022

*As at the date of this notice, the Board comprises Mr. Liu Jianjun, Mr. Zhang Xuwen and Ms. Yao Hong as executive Directors; Mr. Han Wenbo, Mr. Chen Donghao, Mr. Wei Qiang, Mr. Liu Yue and Mr. Ding Xiangming as Non-executive Directors; Mr. Fu Tingmei, Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Mr. Hu Xiang and Ms. Pan Yingli 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.*

## NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING

### Notes:

1. According to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolutions proposed at the EGM will be voted by poll. After the EGM, relevant voting results will be published on the website of the Bank ([www.psb.com](http://www.psb.com)) as well as the disclosure website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).
2. A Shareholder entitled to attend and vote at the EGM announced to be convened herein is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a Shareholder of the Bank.
3. The proxy form together with notarized authorization letters of signatories or other authorization documents (if any) shall be invalid unless they are filled out and returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited not less than 24 hours before the time designated for holding the EGM or any adjournment thereof. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.
4. To determine the name list of H Shareholders entitled to attend the EGM, the Bank will suspend registration of transfer of H Shares from Thursday, November 10, 2022 to Friday, November 11, 2022. To attend the EGM, H Shareholders shall, before 4:30 p.m. on Wednesday, November 9, 2022, submit the share certificates and share transfer documents to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong.
5. For joint holders, only the one whose name stands first in the Register shall be entitled to attend the EGM and vote in respect thereof.
6. Shareholders or their proxies shall present their identity documents when attending the EGM:
  - (1) Legal representatives of legal person Shareholders who attend the meeting shall provide their valid personal identification certificates, valid proof of their capacity as legal representatives and proof of identity as a Shareholder; where the legal representatives delegate others to attend the meeting, proxies of the Shareholder shall provide, in addition to the documents above, their valid personal identification certificates and written form of proxy provided by the legal representatives (including those signed by an authorized person) according to laws. Where the other persons are authorized to attend the meeting by the legal person Shareholders, they shall provide their valid personal identification certificates, resolution of the authorization by the Board of Directors or other decision-making institution of legal person Shareholders and proof of identity as a Shareholder.
  - (2) Natural person Shareholders who attend the meeting in person shall provide their valid personal identification certificates and proof of identity as a Shareholder; where others are delegated to attend the meeting, proxies of Shareholders shall provide their valid personal identification certificates, the authorization letters from the Shareholders and documents proving their Shareholder identities.
7. According to the Articles of Association, if the number of shares of the Bank pledged by the Shareholder is equal to or greater than 50% of the shares held by such Shareholder in the Bank, the voting right attached to the pledged shares may not be exercised at the Shareholders' general meeting. Upon completion of the share pledge registration, the Shareholder shall timely provide the Bank with information relating to the share pledge.
8. In order to effectively implement the requirements of governments at all levels on the prevention and control of COVID-19, prevent crowds from gathering, protect the health of the Shareholders and the attendees, and safeguard the legitimate rights and interests of all Shareholders, the Bank recommends that A Shareholders choose to authorize the chairman of the meeting or the secretary of the Board to vote on their behalf, or to vote by means of online voting at the time. H Shareholders are recommended to choose to authorize the chairman of the meeting to vote on their behalf. If on-site participation is necessary, Shareholders and their proxies must pay attention to in advance and strictly abide by the rules and requirements of Beijing Municipality on declaration of health status, quarantine and observation during the COVID-19 response, present a valid negative nucleic acid test result, the travel code and the health QR code that meet epidemic prevention requirements, and take a temperature test and fill out personal information faithfully and completely before entering the venue. Attendees are recommended to wear masks throughout the meeting and keep necessary social distance in accordance with the arrangements of the meeting.
9. The EGM is expected to last for not more than half a day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
10. The address of Computershare Hong Kong Investor Services Limited is 17M Floor and Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong.
11. The address of the Bank's Registered Office is No. 3 Financial Street, Xicheng District, Beijing, PRC.

Tel: 86-10-68858158  
Fax: 86-10-68858165

**FEASIBILITY REPORT ON THE USE OF PROCEEDS RAISED FROM THE  
NON-PUBLIC ISSUANCE OF A SHARES OF POSTAL SAVINGS BANK OF CHINA**

To further reinforce capital strength and meet the needs of sound operation and business development, with the theme of high-quality development, we actively practiced the concept of serving the real economy and green development, and strived to build a first-class large-scale retail bank to serve and integrate into the new development pattern. In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Implementation Rules for Non-public Issuance of Shares by Listed Companies, Questions and Answers on Issuance Supervision — Regulatory Requirements on Guiding and Regulating the Financing Activities of Listed Companies (Revised Edition) and other related laws, administrative regulations and normative documents, the Bank proposes to issue A shares to no more than 35 specific parties who meet the conditions prescribed by the CSRC, with the total amount of raised funds not exceeding RMB45 billion (inclusive), which will be fully used to supplement the core tier 1 capital after deducting the relevant issuance fees. The feasibility report on the use of proceeds from the issuance is as follows:

**I. Use of the Proceeds from the Non-Public Issuance**

After deducting relevant issuance fees, the proceeds from the issuance will be fully used to replenish the core tier 1 capital of the Bank so as to support the future business development.

**II. Necessity of the Non-Public Issuance**

The issuance will effectively replenish the core tier 1 capital of the Bank, which is of great significance in maintaining the steady development of future business of the Bank, improving its profitability and risk resistance capacity, and better supporting the development of the real economy.

**(I) Meeting the urgent need for its own development**

The CPC Central Committee, the State Council and the regulatory authorities attach great importance to the matter of capital replenishment of commercial banks. The Bank has always given top priority to capital replenishment, the Bank has been stepping up its capital constraint in its daily operation and management, and replenishing its capital by different ways such as retaining profits, introducing strategic investors, listing as well as issuing capital bonds and preference shares, which strongly supported for business development while still faced greater pressure to supplement. As at the end of September 2022, the Bank's core tier 1 capital adequacy ratio was 9.55%, which vigorously supported the business development. Yet the Bank is still under great pressure for capital replenishment. To replenish the core tier 1 capital through the capital market is of great significance to the Bank's ability to meet regulatory capital requirements, maintain sustainable development and effectively improve the capital ability to resist risks.

**(II) Fulfilling the responsibility of a major state-owned bank**

Against the backdrop of the continuous evolution of the global pandemic and the increasingly complicated, severe and uncertain external environment, the central government has adhered to the general tone of the work of seeking progress while maintaining stability, and has given state-owned large banks greater economic, political and social responsibilities in terms of actively preventing and resolving financial risks, and increasing support for key areas and weak links such as manufacturing, small and micro enterprises, scientific and technological innovation, and green development. In March 2022, the Financial Stability and Development Committee of the State Council required that “financial institutions must proceed from the overall situation and firmly support the development of the real economy”. For a long time, the Bank has firmly implemented the requirements of the CPC Central Committee and the State Council on financial services for the real economy, adhered to the market positioning of serving “Sannong customers”, urban and rural residents and small and medium-sized enterprises, gave full play to its own resource endowments, continuously strengthened its support for the real economy, and achieved steady growth in business scale. At present, the Bank has the ability and will to further increase the credit supply to better serve the real economy and further consolidate the core tier 1 capital, which is conducive to continuing to fulfill the responsibility as a major state-owned bank.

**(III) Enhancing resistance to capital risks**

Confronted with the complex and severe situation at home and abroad, and further increase of risks and challenges faced by the banking industry in terms of operation and development, on the basis of continuing to meet the minimum capital adequacy requirements of the regulatory authorities, the Bank needs to reserve a certain percentage of capital buffer to further enhance its risk resistance capability. Facing the complex external environment and internal operation and development needs, the Bank needs to replenish core tier 1 capital so as to effectively improve its capital ability to resist risks and ensure that no systemic risks arise.

**III. Feasibility of the Non-Public Issuance**

In accordance with relevant laws and administrative regulations and the business development of the Bank, the issuance meets conditions of issuance with full feasibility. Guided by its development strategies, the Bank will reasonably utilize the proceeds, actively promote the transformation and development of businesses, strengthen capital constraints and reduce capital consumption so as to maintain sound return on net assets and realize sustained development. The Bank will adopt the following measures to achieve business development and strategic goals, and to ensure the rational and effective use of raised funds.

**(I) Based on the strategic vision, accelerate the transformation and development**

The Bank strive to be a first-tier large retail bank which is trustworthy, distinctive, prudent and safe, innovative, and with remarkable value. The Bank will accelerate the transformation and development towards “uniqueness, comprehensiveness, lightness, intelligence and intensiveness”. Relying on the existing network, funds and customer advantages, the Bank will continue to improve the “self-operated + agency” operation model, strengthen its distinctive businesses, improve its distinctive flagship products, innovate its distinctive financial services, and realize distinctive development of retail banking business. The Bank will comprehensively coordinate the financial needs of customers, strengthen coordination and linkage, integrate various financial resources, and provide customers with one-stop integrated financial services. The Bank will step up efforts in developing capital-light businesses featuring less capital occupancy, diversified risks, strong cross-selling driving force and high comprehensive return. The Bank will deepen outlet transformation, greatly develop mobile banking and create light network, light pipeline; accelerate fintech innovation, reshape the business model to realize the intelligence of products, services, marketing and risk control. The Bank will strengthen resource coordination, optimize and integrate business processes to achieve intensive operation, resource allocation and internal management by scientific management.

**(II) Comprehensively promote business transformation and upgrading, and create new competitive advantages**

The Bank will comprehensively promote the intensive and intelligent transformation of personal financial business, accelerate the establishment of a data-driven and value-oriented customer stratification operation system, vigorously develop consumer finance and wealth management, establish an integrated online and offline channel system, and strengthen intelligent big data application. The Bank will accelerate the comprehensive transformation of corporate banking business. Relying on the advantages of widely distributed outlets, strong financial strength, and high-quality asset quality, it will continue to expand the scale of corporate banking business, focus on serving the real economy, support supply-side structural reforms and major national strategies, enhance the service capabilities of transaction banking and investment banking business, strengthen sector coordination and linkage between corporate and retail businesses, and realize the comprehensive transformation of corporate banking business. The Bank will also promote the transformation and upgrading of its treasury and asset management business. Under the premise of meeting the Bank’s capital and liquidity management needs, it will comply with regulatory guidance, go back to the fundamental purpose, and transform development model. On the basis of scale-driven model, the Bank will upgrade to investment research and service-driven model, further promote the steady development, transformation and innovation of treasury and asset management business, and consolidate and enhance the Bank’s activity and returns in various financial markets. In addition, the Bank will improve the inclusive financial service system. Starting with the establishment of institutional mechanisms, product and service model innovation, and the application of information technology, the Bank will continuously improve the inclusive financial service system, strive to play a leading role in practicing inclusive finance and realize the commercially sustainable development of inclusive finance.

**(III) Strengthen capital constraints and improve the efficiency of capital use**

The Bank will comprehensively establish and apply a value management system centered on economic capital, strengthen capital constraints, transmit the concept of value creation, improve the efficiency of capital use, and raise the level of capital return. The Bank will continuously improve the economic capital management system and mechanism, enhance the ability on active economic capital management, optimize economic capital allocation and strengthen capital constraint and value transmission. The Bank will embed the idea of “paying for the scarcity of capital” into its operation, enhance the awareness of saving economic capital across the whole Bank, achieve a better balance between risk and return and promote the transformation of its business model towards a capital efficient one. The Bank will proactively promote the development and implementation of advanced approaches of capital management to provide a solid technical and management foundation for strengthening capital constraints.

**(IV) Strengthen comprehensive risk management and firmly guard the bottom line of risks**

The Bank, with the worst-case scenarios in mind, enhanced its risk empowerment on a continuous basis, and strove to build a comprehensive risk management system with digitalization and intensiveness to achieve value creation by risk management. Pursuing the stable and prudent risk management appetite with the characteristics of “scattered, widely spread”, the Bank will start from the source of customer access, and continue to improve the “all aspects, whole process and entire staff” comprehensive risk management system, and establish a long-term mechanism for internal control and compliance management. The Bank will improve the governance structure for risk management, optimize division of responsibilities for risk management, enhance the development of professional risk management system, and ensure that everyone concerned fulfills their duties. The Bank will implement joint prevention and control of asset quality, improve the accountability mechanism on the person in charge, and comprehensively investigate and deal with potential risks. The Bank will also accelerate the development of IT system for risk management, optimize risk management means and tools, and promote the implementation of New Basel Capital Accord and advance approaches of capital management, thus continuously improving its capabilities for comprehensive risk management.

**IV. Impacts of the Non-Public Issuance on the Bank's Operation, Management and Financial Condition**

The issuance will be conducive to the improvement of the Bank's capital adequacy level, thereby enhancing its ability to withstand risks and providing sufficient capital basis for the sustainable development of various businesses of the Bank. The impacts of the issuance on the Bank's operation, management and financial condition are mainly as follows:

**(I) Impacts on shareholding structure and controlling right**

Before and after the issuance, the Bank's shareholding structure and corporate governance structure was and will remain stable, and China Post Group was and will remain the controlling Shareholder of the Bank. The Non-public Issuance will not lead to changes in the controlling right of the Bank.

**(II) Impacts on net assets, net assets per share and return on net assets**

After the completion of the issuance, the Bank's net assets will increase, and the return on net assets may be diluted to a certain extent in the short term. However, in the long run, the benefits arising from the use of raised funds to support the development of various businesses will gradually appear, which will have a positive impact on operating results, and further increase net assets per share of the Bank.

**(III) Impacts on capital adequacy ratio**

The proceeds raised from the issuance will effectively replenish the Bank's core tier 1 capital and improve the Bank's capital adequacy ratio, thereby enhancing the Bank's ability to withstand risks and providing sufficient fund to support steady growth of the Bank's asset scale and sustainable development of various businesses.

**(IV) Impacts on profitability**

The issuance will assist in increasing the Bank's capital scale, laying a capital base for stable and sustainable development of businesses, promoting the Bank's further business expansion and enhancing its profitability and core competitiveness.

**V. Conclusion**

The proceeds raised from the issuance of the Bank will be used to supplement the core tier 1 capital, which complies with relevant laws and administrative regulations and conforms to the Bank's long-term development strategy. It will help the Bank consolidate its capital strength, support the sustained and healthy development of its business, and improve its risk resistance and sustainable development capabilities. It has important strategic significance for the long-term development of the Bank and the enhancement of shareholder value. Meanwhile, the Bank will take effective measures to promote business development and the implementation of established strategies so as to provide a sound guarantee for the rational use of the proceeds raised. Therefore, the issuance is necessary and feasible.

**REPORT ON THE USE OF PREVIOUSLY RAISED PROCEEDS OF  
POSTAL SAVINGS BANK OF CHINA**

Pursuant to the Rules on Report on Use of Previously Raised Funds (Zheng Jian Fa Xing Zi [2007] No. 500) issued by CSRC, the use of the previously raised proceeds as of September 30, 2022 is reported as follows:

**I. Information on the Previously Raised Proceeds**

The previously raised proceeds referred to in this Report are the proceeds raised from the Bank's non-public issuance of A shares in March 2021.

As approved by the Reply by the CBIRC on the Non-public Offering of A Shares by the Postal Savings Bank of China Co., Ltd. (Yin Bao Jian Fu [2021] No. 17) issued by the CBIRC and the Approval of the Non-public Offering of Shares by Postal Savings Bank of China Co., Ltd. (Zheng Jian Xu Ke [2021] No. 751) issued by the CSRC, the Bank completed the non-public offering of 5,405,405,405 Ordinary Shares (A Shares) Denominated in RMB in March 2021. The total proceeds raised from the non-public issuance of Ordinary Shares (A Shares) Denominated in RMB were RMB29,999,999,997.75, and the net proceeds raised were RMB29,985,915,537.24 after deducting issuance expenses. The proceeds have been remitted to the special account for the non-public issuance of Ordinary Shares (A Shares) Denominated in RMB opened by the Bank on March 17, 2021 with the account number 911004010001621658.

PricewaterhouseCoopers Zhong Tian LLP has verified the actual receipt of proceeds from the non-public issuance of Ordinary Shares (A Shares) Denominated in RMB and issued the Report on the Capital Verification of Proceeds from the Non-public Offering of Ordinary Shares (A Shares) Denominated in RMB by Postal Savings Bank of China Co., Ltd. (PricewaterhouseCoopers Zhong Tian Yan Zi (2021) No. 0316).

**II. Use and Balance of Proceeds Raised as of September 30, 2022**

After deduction of all issuance expenses relating to the issuance, all the previously raised net proceeds of RMB29,985,915,537.24 of the Bank have been used to supplement the Core Tier 1 capital of the Bank (including the share capital of RMB5,405,405,405.00 and the capital reserve of RMB24,580,510,132.24), which was in line with the Bank's committed use of proceeds. As of September 30, 2022, please refer to the schedule of this report for the actual use of the previously raised proceeds. According to the Administrative Measures for Raised Proceeds by Postal Savings Bank of China Co., Ltd. (2019 Edition), the Bank has cancelled the designated account for the proceeds from the non-public issuance in 2021, and the balance of the proceeds was RMB0.



There is no inconsistency between the proceeds raised from the non-public issuance of RMB denominated Ordinary Shares (A Shares) and the use of raised proceeds as disclosed in the non-public issuance plan of RMB Ordinary Shares (A Shares) of the Bank, there exists no change in proceeds-fund investment projects, there is no earlier investment and replacement for the investment project of raised proceeds, no use of idle proceeds to temporarily replenish working capital, no cash management and investment of relevant products with idle proceeds, no permanent replenishment of working capital or repayment of bank loans with over raised proceeds, no over raised proceeds used in projects under construction and new projects (including the acquisition of assets, etc.) and no use of surplus proceeds and other proceeds.

The Bank has compared the actual use of the above proceeds with the relevant contents disclosed in the information disclosure documents announced by the Bank for 2021 and the period ended September 30, 2022, and the actual use is consistent with the relevant disclosure.

### **III. Conclusion**

The Bank has used the previously raised proceeds in accordance with the use of proceeds as disclosed in the non-public issuance plan of RMB Ordinary Shares (A Shares). The above-mentioned proceeds enhanced the Bank's capital adequacy ratio. Due to the particularity of the banking business, the proceeds were put into operation with other funds of the Bank, and its benefits realized cannot be accounted separately. The Bank made relevant information disclosure in a timely, truthful, accurate and complete manner, and there were no problems with the use of proceeds and its disclosure.

## Schedule

*Checklist on Use of Previously Raised Proceeds*

The use of previously raised proceeds of the Bank as of September 30, 2022 is as follows:

Investment project		Total investment with proceeds			Total accumulated investment amount of proceeds as at settlement date			Expected usable date for the project (or project status as at settlement date)
No.	Actual investment project	Committed investment amount before raising	Committed investment amount after raising	Actual investment amount	Committed investment amount before raising	Committed investment amount after raising	Difference between actual investment amount and committed investment amount after raising	
1	Replenishment of capital	29,985,915,537.24	29,985,915,537.24	29,985,915,537.24	29,985,915,537.24	29,985,915,537.24	0	N/A
Total net proceeds: 29,985,915,537.24		Total proceeds that has been used cumulatively: 29,985,915,537.24						
Total proceeds with changed use: Nil		Total investment with proceeds			Total accumulated investment amount of proceeds as at settlement date			
Percentage of total proceeds with changed use: Nil		Total investment with proceeds			Total accumulated investment amount of proceeds as at settlement date			

Unit: RMB yuan

*Note:* The proceeds have all been used to replenish the core tier 1 capital of the Bank. Since the funds invested in the project include the Bank's original own funds and the raised proceeds, it is impossible to calculate the benefits of raised proceeds separately.

---

**APPENDIX III                    DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

---

**DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC ISSUANCE OF  
A SHARES, REMEDIAL MEASURES AND THE COMMITMENTS OF RELATED  
ENTITIES OF POSTAL SAVINGS BANK OF CHINA**

According to the relevant requirements set out in Several Opinions of the State Council on Further Promoting the Healthy Development of Capital Markets, the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets and Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring issued by CSRC, the Bank has analyzed the impact of the Non-public Issuance of the A Shares on the dilution of immediate returns and proposed the relevant measures to remedy the diluted immediate returns based on the actual situation, specifically as follows:

**I. Analysis of the Dilutive Effect of the Non-Public Issuance on Immediate Returns**

The proceeds from the Issuance shall not exceed RMB45 billion (inclusive, the same below), all of which will be used to supplement core tier 1 capital of the Bank after deducting the related issuance expenses to consolidate the Bank's capital strength, support the future business development, and enhance risk resilience of the Bank.

**(I) Assumptions and conditions**

1. It is assumed that there will be no material and adverse changes in the macroeconomic situation, industrial development trends and the Bank's operations;
2. It is assumed that the Issuance will be completed on March 31, 2023;
3. It is assumed that 6,777,108,433 A Shares will be issued through the Issuance, the total amount of proceeds raised from the Issuance is RMB45 billion, and the issuance expenses have not been taken into account;
4. It is assumed that the annual growth rate of the net profit attributable to shareholders of the Bank and the net profit attributable to shareholders of the Bank after deducting non-recurring gains and losses in 2022 and 2023 is 5%, 10%, and 15%, respectively;
5. Other than the Issuance, other factors that may cause changes to the ordinary share capital (e.g. profit distribution, conversion of capital reserve into share capital, mandatory conversion of preference shares) have not been taken into account;
6. The impact of the proceeds from the Issuance on Bank's operation and financial situation has not been taken into account.

**APPENDIX III      DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

**(II) Impact on the main financial indicators (such as earnings per share)**

Based on the above assumptions, the Bank calculated the impacts of the Issuance on major financial indicators such as earnings per share, and the details are as follows:

Item	December 31, 2022/for the year 2022	Comparison before and after the issuance (December 31, 2023/ for the year 2023)	
		Before the Non-public Issuance	After the Non-public Issuance
Total ordinary shares (million shares)	92,384	92,384	99,161
Total weighted average ordinary shares (million shares)	92,384	92,384	97,467
Total proceeds from the Non-public Issuance (in RMB million)	45,000		
Scenario 1: the annual growth rate of the net profit attributable to shareholders of the Bank and the net profit attributable to shareholders of the Bank after deducting non-recurring gains and losses in 2022 and 2023 is 5%			
Net profit attributable to shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	79,304	83,270	83,270
Net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	72,596	77,954	77,954
Basic earnings per share after deducting non-recurring gains and losses (RMB per share)	0.79	0.84	0.80

**APPENDIX III      DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

<b>Item</b>	<b>December 31, 2022/for the year 2022</b>	<b>Comparison before and after the issuance (December 31, 2023/ for the year 2023)</b>	
		<b>Before the Non-public Issuance</b>	<b>After the Non-public Issuance</b>
Diluted earnings per share after deducting non-recurring gains and losses (RMB per share)	0.79	0.84	0.80
Scenario 2: the annual growth rate of the net profit attributable to shareholders of the Bank and the net profit attributable to shareholders of the Bank after deducting non-recurring gains and losses in 2022 and 2023 is 10%			
Net profit attributable to shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	83,081	91,389	91,389
Net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	76,373	86,073	86,073
Basic earnings per share after deducting non-recurring gains and losses (RMB per share)	0.83	0.93	0.88
Diluted earnings per share after deducting non-recurring gains and losses (RMB per share)	0.83	0.93	0.88
Scenario 3: the annual growth rate of the net profit attributable to shareholders of the Bank and the net profit attributable to shareholders of the Bank after deducting non-recurring gains and losses in 2022 and 2023 is 15%			

**APPENDIX III      DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

<b>Item</b>	<b>December 31, 2022/for the year 2022</b>	<b>Comparison before and after the issuance (December 31, 2023/ for the year 2023)</b>	
		<b>Before the Non-public Issuance</b>	<b>After the Non-public Issuance</b>
Net profit attributable to shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	86,857	99,886	99,886
Net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	80,149	94,570	94,570
Basic earnings per share after deducting non-recurring gains and losses (RMB per share)	0.87	1.02	0.97
Diluted earnings per share after deducting non-recurring gains and losses (RMB per share)	0.87	1.02	0.97

*Notes:*

1. Net profit attributable to ordinary shareholders of the Bank = Net profit attributable to shareholders of the Bank - Dividends declared on preferred shares and perpetual debentures for the period; Net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gains and losses = Net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gains and losses - Dividends declared on preferred shares and perpetual debentures for the period;
2. Basic and diluted earnings per share are calculated in accordance with the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share.

Considering the specificity of the business model of commercial banks, the proceeds will be used together with the original capital upon the receipt of funds, and their contribution to revenue cannot be measured separately. Based on the above assumptions and calculation, the increase in capital after the completion of the Issuance will have a dilutive effect on the Bank's basic earnings per share in 2023.

---

**APPENDIX III            DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

---

**(III) Notes on the calculations**

1. The above assumptions and analysis made by the Bank in this calculation do not constitute the Bank's profit forecast and investors should not make investment decisions in reliance of them. The Bank will not be liable for any losses of investors incurred as a result of investment decisions made based on such analysis;
2. The number of shares to be issued, the total amount of funds raised and the completion time of the Issuance in this calculation are only estimates, and will ultimately be determined based on the approval of the regulatory authorities, and the issuance and subscription status, etc.

**II. Risk Warning on Dilution of Immediate Shareholder Returns due to the Non-Public Issuance**

After the funds raised from the Issuance are in place, the Bank's total share capital and net assets will increase. If the raised funds fail to maintain the current capital operation efficiency, the basic earnings per share after deducting non-recurring gains and losses and the weighted average return on net assets after deducting non-recurring gains and losses may decline to a certain extent.

Therefore, investors are advised to pay attention to the risks in connection with dilution of immediate returns caused by the Issuance. The Bank's remedial measures for dilution of immediate returns do not mean any guarantee for future profit of the Bank. The Bank will continue to disclose in its regular reports the progress of remedial measures for dilution of immediate returns, as well as the fulfillment of the commitments made by related entities.

**III. Necessity of the Non-Public Issuance**

The Issuance will effectively replenish the core tier 1 capital of the Bank, which is of great significance to maintain the steady development of the Bank's future business, enhance its profitability and risk resistance capacity, and better serve the development of the real economy.

**(I) Meeting the urgent need for its own development**

The CPC Central Committee, the State Council and the regulatory authorities attach great importance to the issue of capital replenishment of commercial banks. The Bank has always given top priority to capital replenishment, the Bank has been stepping up its capital constraint in its daily operation and management, and replenishing its capital by different ways such as retaining profits, introducing strategic investors, listing as well as issuing capital bonds and preference shares. As at the end of September 2022, the Bank's core tier 1 capital adequacy ratio was 9.55%, which vigorously supported the business development. Yet the Bank is still

---

**APPENDIX III                    DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

---

under great pressure for capital replenishment. To replenish the core tier 1 capital through the capital market is of great significance to the Bank's ability to meet regulatory capital requirements, maintain sustainable development and effectively improve the capital ability to resist risks.

**(II) Fulfilling the responsibility of a major state-owned bank**

Against the backdrop of the continuous evolution of the global pandemic and the increasingly complicated, severe and uncertain external environment, the central government has adhered to the general tone of the work of seeking progress while maintaining stability, and has given state-owned large banks greater economic, political and social responsibilities in terms of actively preventing and resolving financial risks, and increasing support for key areas and weak links such as manufacturing, small and micro enterprises, scientific and technological innovation, and green development. In March 2022, the Financial Stability and Development Committee of the State Council required that "financial institutions must proceed from the overall situation and firmly support the development of the real economy". For a long time, the Bank has firmly implemented the requirements of the CPC Central Committee and the State Council on financial services for the real economy, adhered to the market positioning of serving "Sannong customers", urban and rural residents and small and medium-sized enterprises, gave full play to its own resource endowments, continuously strengthened its support for the real economy, and achieved steady growth in business scale. At present, the Bank has the ability and will to further increase the credit supply to better serve the real economy and further consolidate the core tier 1 capital, which is conducive to continuing to fulfill the responsibility as a major state-owned bank.

**(III) Enhancing resistance to capital risks**

Confronted with the complex and severe situation at home and abroad, and further increase of risks and challenges faced by the banking industry in terms of operation and development, on the basis of continuing to meet the minimum capital adequacy requirements of the regulatory authorities, the Bank needs to reserve a certain percentage of capital buffer to further enhance its risk resistance capability. Facing the complex external environment and internal operation and development needs, the Bank needs to replenish core tier 1 capital so as to effectively improve its capital ability to resist risks and ensure that no systemic risks arise.



---

**APPENDIX III            DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

---

**IV. The Relationship Between the Proceeds-Funded Investment Projects and the Bank’s Existing Business, the Bank’s Personnel, Technology, and Market Reserves for Proceeds-Funded Projects**

**(I) Relationship between the proceeds-funded investment projects and the Bank’s existing business**

All the funds raised from the Issuance of the Bank will be used to supplement the Bank’s core tier 1 capital after deducting relevant issuance expenses to support future business development.

**(II) The Bank’s personnel, technology and market reserves for proceeds-funded investment projects**

In terms of personnel, the Bank adhered to an open and inclusive attitude and recruited talents from the society. It focused on scientific and technological talents, continuously and routinely carried out high-level management talents and professional talents selection and recruitment. The Bank paid attention to the professional capacity building of the talent team, continuously improved the vision of professional talents, and built core competitive advantages. It proactively overcame the adverse impact of the epidemic, steadily promoted the recruitment of college graduates and strengthened the construction of professional talent. The Bank continued to deepen talent development and training, and closely followed business management and development trend, strengthened compliance and risk training, as well as improved our talent training and development system with face-to-face training and remote training as major approaches and Party School training, overseas training, and qualification certification as supplementary approaches, so as to build a high-quality professional talent team.

In terms of the technology, the Bank considered information technology as the core driver of business development, and continued to deepen IT governance and promote the optimization of IT architecture by focusing on digital transformation. It also accelerated the development of the new generation personal business core system, and built a technology infrastructure platform; it enhanced its independence and controllability and promoted the deep integration of business and technology; it deepened the application of big data, enhanced the capability of financial technology innovation, strove to enhance its core competitiveness in terms of information technology.

In terms of the market, the Bank actively promoted the systematic transformation of its branches, with the core objectives of enhancing customer experience and improving branch efficiency, highlighting the transformation direction of “specialization, integration, lightness, digitalization and intensification”. The Bank actively promoted the management of and support to services on the electronic banking channels such as mobile banking, online banking, telephone banking and WeChat banking, accelerated product iteration and innovation, promoted the integration of online and offline channels, and provided convenient services to customers at anytime and anywhere.

---

**APPENDIX III            DILUTION OF IMMEDIATE RETURNS BY THE NON-PUBLIC  
ISSUANCE OF A SHARES, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES**

---

**V. The Specific Remedial Measures for the Dilution of Immediate Returns of the Non-Public Issuance**

The Bank will take effective measures to strengthen capital management, improve the efficiency of the use of proceeds, further enhance the Bank's profitability, minimize the impact of the Issuance on the immediate returns of ordinary Shareholders, and fully protect the legitimate rights of the ordinary Shareholders of the Bank, especially the minority interests. The Bank intends to take measures as follows:

**(I) Strengthening the management of proceeds and improving the efficiency of use of proceeds**

The Bank will strengthen the management of the proceeds from the Issuance, standardize the use of proceeds, further improve the efficiency of the use of raised funds, so as to realize a reasonable level of return on capital, have a positive impact on financial indicators such as return on net assets and earnings per share, effectively cover the impact of the Issuance on the dilution of the immediate returns of ordinary Shareholders, and further enhance the Bank's sustainable development capabilities.

**(II) Strengthening the operation and management and internal control of the Bank**

The Bank will further strengthen the operation and management and internal control, improve and strengthen the operating decision-making procedures. The Bank will control the interest-bearing costs and various expenses or expenditures, improve yields and spreads of asset business and actively create capital returns for Shareholders.

**(III) Strengthening risk management measures**

The Bank will continue to strengthen the construction of a risk management system, continuously improve the level of risk management, advance the ability to effectively prevent and measure risks, continuously perfect the comprehensive risk management system integrating front, middle and back offices, and effectively support the steady business development.

**(IV) Further improving profit distribution system and enhancing investors' return mechanism**

The Bank attaches great importance to protection of Shareholders' rights and interests and reasonable investment returns. Meanwhile, the Bank further specifies the matters of cash dividend policies and percentages as well as the minimum percentage of profit distribution in cash in general conditions, so as to achieve sustainable development of the Bank and shape investors' expectation for steady returns.

**VI. The Undertakings of the Bank’s Directors and Senior Management to Ensure the Implementation of Remedial Measures for the Diluted Immediate Returns**

The Directors and senior management of the Bank have undertaken to faithfully and diligently perform their duties and protect the legitimate rights and interests of the Bank and all the Shareholders and made the following undertakings so as to ensure the implementation of the Bank’s remedial measures for the diluted immediate returns as a result of the Issuance according to relevant provisions of CSRC:

- (I) Undertake not to transfer interests to other entities or individuals for free or on unfair terms, nor to damage the Bank’s interests in other ways;
- (II) Undertake to restrict the expenditures incurred in the course of duties;
- (III) Undertake not to draw upon the Bank’s assets to make any investment or participate in any consumption activities unrelated to their performance of duties;
- (IV) Undertake to proactively promote the improvement of the Bank’s remuneration system to better comply with requirements for compensating immediate returns; to support the linkage between the remuneration system set up by the Board of Directors or the nomination and remuneration committee and the implementation of the Bank’s remedial measures for immediate returns, and strictly enforce the above system;
- (V) Undertake there will be linkage between the vesting conditions of equity incentive to be published and the implementation of the Bank’s remedial measures for immediate returns when the Bank sets up an equity incentive plan (if any).

**SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS OF 2023-2025  
OF POSTAL SAVINGS BANK OF CHINA**

To specify the Bank's plan for reasonable return on Shareholders' investment, refine the cash dividend distribution policy, improve the transparency and practicability of decision-making over profit distribution, and facilitate the Shareholders to supervise the Bank's operation and profit distribution, the Bank has formulated the Shareholders' Return Plan For the Next Three Years of 2023-2025 of Postal Savings Bank of China (the "**Plan**") in accordance with relevant provisions of the Notice on Further Implementing Matters Relevant to the Cash Dividend Distribution by Listed Companies issued by China Securities Regulatory Commission, the Guideline No. 3 on the Supervision and Administration of Listed Companies — Distribution of Cash Dividends of Listed Companies, and the Plan is detailed as follows:

**I. Principles in the Formulation of the Plan**

The Bank will implement a reasonable, sustainable and stable dividend distribution policy, giving weight to the reasonable return on investments and long-term benefits to investors while taking into account the sustainable development of the Bank. On the premise of compliance with the regulatory requirements, by taking into account sustained profitability, ongoing business operation and long-term development, the Bank will give priority to the form of cash dividend.

In accordance with the Company Law of the People's Republic of China and the Articles of Association of the Bank, on the premise of meeting the regulatory requirements on capital adequacy ratios, the Bank shall distribute dividends to preference Shareholders and the holders of undated capital bonds (the "**Perpetual Bonds**") when there is distributable after-tax profit after making up losses and making allocations to the statutory reserve fund and general reserve. Preference Shareholders and holders of the Perpetual Bonds shall receive distribution of dividends in priority to ordinary Shareholders. For all ordinary Shareholders, the Bank shall make distribution in proportion to the number of Bank's shares held by each Shareholder based on the principle of "equal rights and returns for each share".

**II. Factors Considered in Making the Profit Distribution Plan**

When formulating dividend distribution plan, the Bank focuses on its current operation and sustainable development, conducts comprehensive analysis and has taken into account following key factors:

**(I) To safeguard the legitimate rights and interests of Shareholders and meet regulatory requirements**

1. The Bank shall proactively perform its social and legal responsibilities to safeguard the legitimate rights and interests of Shareholders and provide reasonable investment returns for the investors;

2. The Bank will proactively implement regulatory requirements of CSRC on profit distribution and cash dividends policy of listed companies and perform profit distribution decision-making procedures in compliance with laws and regulations;
3. It is necessary for a commercial bank to meet the requirements on capital adequacy ratio of relevant laws, regulations and regulatory authorities in its operation and development. In determining the Bank's dividend distribution policy, the Bank will take into account the effect of dividend distribution on capital adequacy ratio on the premise of sustained business development, and specify reasonable cash dividend distribution ratio on this basis, to ensure the feasibility of such policy.

**(II) Stage of development of the Bank**

The Bank is now in the growing stage of development, with strong momentum in all business areas and huge development potential, and is in need of sufficient capital to ensure future development. The Bank will take into full consideration of the effects of various factors when determining the dividend distribution policy, to ensure that its capital satisfies the ongoing business operation and sustainable development of the Bank.

**(III) Expectation and will of Shareholders**

The Bank encourages small and medium investors and institutional investors to participate in the decision-making of profit distribution matters. The Bank will communicate and exchange ideas through multiple channels with Shareholders (in particular, the minority Shareholders), fully consider the opinions and requests of the minority Shareholders. The Bank gives weight to the reasonable return on investments to investors while taking into account their expectations on sustained and rapid development and long-term and stable operation of the Bank. The specific dividend distribution plan (including the proportion of cash dividend distribution and adoption of stock dividend distribution, etc.) is subject to the approval of the Shareholders' general meeting based on the particular operation condition of the year and needs of the Bank for future ongoing development.

**(IV) Cost of social funds and external financing environment**

Currently, the Bank can expand its capital scale by issuing ordinary shares, capital instruments and retaining profit. The Bank will take into full account factors such as the size and cost of funds from various financing channels, which will enable the dividend distribution policy to adapt to the capital structure and the cost of capital of the Bank, when formulating the dividend distribution policy.

**III. Specific Dividend Distribution Plan****(I) Order of profit distribution**

The after-tax profits of the Bank for the year shall be distributed in the following order:

1. to make up for the losses of the previous year;
2. to allocate 10% to the statutory reserve fund;
3. to allocate to the general reserve;
4. to allocate to the discretionary reserve fund;
5. to distribute profits in proportion to Shareholders' shareholdings.

Where the accumulated amount of the statutory reserve fund of the Bank amounts to 50% or more of the registered capital of the Bank, allocation is no longer necessary. After allocation to the statutory reserve fund and general reserve, whether to make allocation to the discretionary reserve fund shall be determined by the Shareholders' general meeting. The Bank shall not distribute profits to Shareholders before making up for its losses and making allocations to the statutory reserve fund and general reserve. The Bank's shares held by the Bank shall not participate in profit distribution.

The payment of dividends on preference shares and the Perpetual Bonds shall be proceeded in accordance with laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities of the place where the Bank's shares are listed and where the preference shares and the Perpetual Bonds are issued or listed, and the Articles of Association of the Bank.

**(II) Form and interval of profit distribution**

The Bank shall distribute profit in proportion to Shareholders' shareholdings, and may distribute dividends in form of cash, shares or both combined; where cash dividends distribution is possible, the Bank shall distribute profit in form of cash as the priority. On the premise of profit distribution principle, the Bank's ongoing operation and sustainable development, the Bank shall make one profit distribution each year in principle, and might make interim profit distribution when the condition allows. However, in no circumstances shall profit distributed exceed the amount of accrued distributable profit or affect the Bank's capability of sustainable operation.

**(III) Conditions and proportion of cash dividends**

1. Except under special circumstances, the Bank shall distribute dividends to Shareholders of ordinary shares in the form of cash every year with an aggregate amount of not less than 10% of the net profit attributable to the Shareholders of the Bank on a consolidated basis of such financial year. The special circumstances refer to circumstances where:
  - (1) the profit distribution is restricted by laws, administrative regulations and regulatory requirements;
  - (2) cash dividend distribution may adversely affect the long-term interests of the Shareholders;
  - (3) the Bank's capital adequacy ratio is lower than the requirements of the banking regulatory authority of the State Council and other regulatory department on the Bank.
2. Under circumstances where the Bank has sound operation, and the Board of Directors determines that the share price of the Bank does not match the size of its share capital and share dividend distribution is beneficial to the interests of all the Shareholders of the Bank as a whole, a plan on dividend distribution in the form of shares may be formulated and implemented upon approval at the Shareholders' general meeting, provided that the requirements on cash dividend distribution set out above have been met. Distributing profit in form of shares dividends shall be preconditioned on reasonable cash dividends return to Shareholders and maintenance of an appropriate equity scale, by taking into account the Bank's growth potential, dilution of net asset per share and other factors.
3. By taking into account the nature of the industry, external business environment, stage of development, business operation model, profitability level of the Bank and whether there shall be significant capital expenditures arrangements, the Board of Directors of the Bank shall make differentiated cash dividends distribution policies under the following conditions in accordance with procedures in the Articles of Association:
  - (1) when the Bank is in a mature stage of development and there shall be no significant capital expenditures arrangements, the cash dividends distributed should be at least 80% in total profit distributed;
  - (2) when the Bank is in a mature stage of development and there shall be significant capital expenditures arrangements, the cash dividends distributed should be at least 40% in total profit distributed;
  - (3) when the Bank is in a growing stage of development and there shall be significant capital expenditures arrangements, the cash dividends distributed should be at least 20% in total profit distributed;

When it is difficult to differentiate a stage of development but there shall be significant capital expenditure arrangements, cash dividends distribution can be processed based on the preceding provisions.

#### **IV. Decision-Making and Supervision System for the Plan**

When formulating a specific cash dividend distribution plan, the Board of Directors of the Bank will carefully study and demonstrate the rationality of the profit distribution plan. After formulating a resolution, it shall be presented to the Shareholders' general meeting as an ordinary resolution for consideration and shall be put into effect upon approval. The Independent Directors should express clear opinions and may consult and collect the opinions of minority Shareholders, make dividends distribution proposals and present it to the Board of Directors directly for consideration. Before a specific cash dividend distribution plan is considered by the Shareholders' general meeting, the Bank should take initiative to communicate with Shareholders, in particular minority Shareholders, fully listen to their opinions and requests, and timely respond to the issues of their concerns and interests through multiple channels.

If the Bank does not distribute cash dividend under special circumstances, the profit distribution plan proposed to the Shareholders' general meeting for review and approval shall include the reasons for not distributing dividends and the use of the undistributed fund retained in the Bank, and corresponding disclosure shall be made in the periodic reports.

#### **V. Implementation of Profit Distribution Plan**

After the resolution on the profit distribution plan is approved by the Shareholders' general meeting, the Board of Directors of the Bank shall complete the matters of dividends distribution (in cash or shares) within two months after the Shareholders' general meeting.

#### **VI. Planning Cycle and Adjustment Mechanism for the Plan**

- (I) The Bank shall formulate the dividend distribution plan based on the profit distribution policy determined according to the Articles of Association, make appropriate and necessary amendments to existing plan at least once in three years, and plan on the dividends distribution policy for the next three years. When preparing the dividend distribution plan, the Board of Directors of the Bank shall fully listen to and take the opinions and suggestions of Shareholders (in particular, the minority Shareholders), Independent Directors and external Supervisors through multiple channels. The profit distribution policy and three-year dividend distribution plan formulated by the Board of Directors shall be proposed to the Shareholders' general meeting and shall be put into effect upon approval.



- (II) In case of force majeure such as war or natural disaster or in the event of any change to external operation environment (such as significant public health emergency) with material impact on the Bank's operation, or any significant change to the Bank's own operation condition, the Bank may adjust the profit distribution policy based on the Articles of Association. Any adjustment to the profit distribution policy by the Bank should be presented by the Board of Directors as a subject matter, demonstrate the rationale for adjustment in detail, and a written report should be formed. The Independent Directors shall express their opinions which shall be, together with the written report, submitted to the Shareholders' general meeting as a special resolution for approval. Review of adjustment to profit distribution plan should be in line with regulatory requirements of the regulatory authorities where the Bank's shares are listed, and the Bank shall provide shareholders with the option to vote online.

#### **VII. Mechanism for the Plan to come into Force**

The return for Shareholders referred to in this Plan means the return for ordinary Shareholders. Dividend distribution for preference shares and the Perpetual Bonds shall be processed based on the Articles of Association and the relevant terms of the issuance plan of preference shares and the Perpetual Bonds. Matters not covered by the Plan shall be processed in accordance with relevant provisions of relevant laws, regulations, normative documents, and the Articles of Association. The Plan herein is subject to the interpretation of the Board of Directors of the Bank. The Plan shall take effect from the date of approval by the Shareholders' general meeting of the Bank.

**BIOGRAPHIES OF DIRECTOR CANDIDATES**

The biographies of the Director candidates proposed to be elected or re-elected at the 2022 Second Extraordinary General Meeting are set out below:

**Mr. Wen Tiejun**

Wen Tiejun, male, Chinese nationality, born in 1951, obtained a doctor's degree in Management from China Agricultural University. Mr. Wen has served as Independent Non-executive Director of the Bank since October 2019. He previously served as an assistant researcher of the Rural Development Research Center of the State Council, a researcher of the Research Center for Rural Economy of the Ministry of Agriculture, Deputy Secretary General of the China Society of Economic Reform, Dean of School of Agricultural Economics and Rural Development at Renmin University of China, and Independent Non-executive Director of Agricultural Bank of China Limited. Mr. Wen currently serves as Executive Dean of Institute of Rural Reconstruction of China at Southwest University, a member of the National Environment Advisory Committee, a member of the Committee of Experts on Food Security, as well as a provincial and ministerial-level adviser and policy advisory expert of the Ministry of Commerce, the Ministry of Civil Affairs, the National Forestry and Grassland Administration, Beijing Municipality and Fujian Province of the PRC and External Director of Xinjiang Cultural Tourism Investment Group Co., Ltd.

**Mr. Chung Shui Ming Timpson**

Chung Shui Ming Timpson, male, Hong Kong permanent resident with Chinese nationality, born in 1951, obtained an honorary doctorate of Social Sciences from City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, and received the title of Justice of the Peace from the HKSAR Government in 1998 and was awarded the Gold Bauhinia Star by the HKSAR Government in 2000. Mr. Chung has served as Independent Non-executive Director of the Bank since October 2019. He previously served as Senior Auditing Director of Coopers & Lybrand, Chairman of the Management Board of the City University of Hong Kong, Chief Executive Officer of Shimao International Holdings Ltd., Chairman of the Hong Kong Housing Society, a member of the HKSAR Executive Council, Chief Executive Officer of HKSAR Government Land Fund Trust, Independent Non-executive Director of Nine Dragons Paper (Holdings) Limited, China State Construction Engineering Corporation Limited, Henderson Land Development Limited, China Everbright Bank Co., Ltd., China Construction Bank Corporation, Jinmao Hotel and Jinmao (China) Hotel Investments and Management Limited, Glorious Sun Enterprises Limited, and the External Director of China COSCO Shipping Corporation Limited, etc. He currently serves as Independent Non-executive Director of China Unicom (Hong Kong) Limited, Miramar Hotel and Investment Company Limited, China Overseas Grand Oceans Group Ltd., China Everbright Limited, China Railway Group Limited and Orient Overseas (International) Limited, and a member of the CPPCC National Committee and a Deputy Supervisor of City University of Hong Kong.

**Ms. Pan Yingli**

Pan Yingli, female, Chinese nationality, born in 1955, obtained a doctor's degree in World Economics from East China Normal University. Ms. Pan has served as Independent Non-executive Director of the Bank since December 2019. She previously served as associate professor, professor and tutor of doctorate candidates in East China Normal University, an invited expert of Shanghai Municipal Government on decision-making consultation, as well as an Independent Non-executive Director of China Merchants Bank Co., Ltd. Ms. Pan currently serves as Director of Research Center for Global Finance at Shanghai Jiao Tong University, professor in Finance at Antai College of Economics and Management of Shanghai Jiao Tong University, Chief Expert of the Decision-making Consultation Research Base Pan Yingli Studio of Shanghai Municipal Government, Independent Non-executive Director of Pujiang International Group Limited and Independent Director of Asia Cuanon Technology (Shanghai) Co., Ltd.

**Mr. Tang Zhihong**

Tang Zhihong, male, Chinese nationality, born in 1960, obtained a Bachelor of Arts degree from Jilin University and is a senior economist. Mr. Tang previously served as Deputy Director of the Education Department and Deputy Director of the Audit Department of Liaoning branch of the People's Bank of China, Deputy Secretary of Party Group and Vice President, Secretary of Party Group and President of Liaoning Jinzhou branch of the People's Bank of China, Director of Jinzhou branch of the State Administration of Foreign Exchange, Vice President of Shenyang branch of China Merchants Bank Co., Ltd., Deputy Director of Shenzhen management department of China Merchants Bank Co., Ltd., President of Lanzhou branch of China Merchants Bank Co., Ltd., Secretary of the Party Committee and President of Shanghai branch of China Merchants Bank Co., Ltd., Secretary of the Party Committee and Director of the Shenzhen management department of China Merchants Bank Co., Ltd., a member of the Party Committee, Assistant President and Vice President of China Merchants Bank Co., Ltd. He currently serves as Independent Non-executive Director of Harbin Electric Company Limited and External Director of Overseas Chinese Town Holdings Company.

As at the Latest Practicable Date, the above director candidates all confirmed that, save as disclosed in this circular, they did not hold any directorship in other public companies the securities of which are listed on any securities market in Chinese mainland, Hong Kong or overseas securities markets in the past three years, nor did they have any other relationship with any director, supervisor, senior management, or substantial Shareholder or controlling Shareholder of the Bank, nor did they hold any other positions in the Bank or any of its subsidiaries; did not have any interest in the shares of the Bank or its associated companies within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong, and there is no information that needs to be disclosed pursuant to the requirements set out in Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules, nor any matters that need to be brought to the attention of the Shareholders of the Bank.

The Bank believes that the above director candidates have met the independence requirements set out in Rule 3.13 of the Hong Kong Listing Rules.

Pursuant to Rule B.3.4 in Appendix 14 to the Hong Kong Listing Rules, the Nomination and Remuneration Committee of the Bank and the Board have discussed the matters regarding the nomination and re-election of the above candidates for Directors as the candidate of Independent Non-executive Director of the Bank. Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson and Ms. Pan Yingli have served as the Independent Non-executive Director of the Bank for approximately three years and are familiar with the Bank's business. They have also provided the Bank with objective, independent and sufficient opinions and analysis from different perspectives and with his professional knowledge (including financial and listing compliance areas) and unique experience; Mr. Tang Zhihong has extensive working experience and broad vision. He is familiar with the development process and trend of financial industry in the PRC, therefore is capable of providing prospective and constructive advice to the development of the Bank. They, as Independent Non-executive Directors, are also able to promote the diversity of the structure of the Board of the Bank in various aspects, including culture, knowledge, educational background, experience and skills.

As at the Latest Practicable Date, the Bank's remuneration arrangements for the above directors are as follows: the allowances for Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli and Mr. Tang Zhihong as Independent Non-executive Directors of the Bank include basic allowances and service allowance. The basic allowance standard is uniformly RMB350,000/year; the service allowance is determined based on the Independent Non-executive Directors' positions on the special committees under the Board. Among the Independent Non-executive Directors who serve as chairman of the special committees under the Board, the service allowance is RMB50,000/position/year; as a member of the special committees under the Board, the service allowance is RMB30,000/position/year; for Independent Non-executive Directors who hold multiple positions in the special committees, the allowance can be calculated cumulatively. The aforementioned salary standards are all pre-tax standards. For details of the remuneration, please refer to the annual report issued by the Bank in due course.