

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

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

This announcement is made by Postal Savings Bank of China Co., Ltd. (the “**Bank**”) pursuant to Rule 13.09, Rule 13.28 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board of Directors of the Bank held a meeting on October 26, 2022. The meeting considered and approved (among other things) the proposals regarding the proposed Non-public Issuance of A Shares by the Bank.

I. PROPOSED 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.

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.

As of the date of this announcement, 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.

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 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 extraordinary general meeting.

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.

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 extraordinary general meeting; (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 date of this announcement, 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 extraordinary general meeting.

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 date of this announcement 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 date of this announcement 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 date of this Announcement		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%
Total issued A Shares	72,527,800,605	78.51%	79,304,909,038	79.98%
H Shares				
– China Post Group	80,700,000	0.09%	80,700,000	0.08%
– DBS Bank Ltd. ⁽¹⁾	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%
Total issued H Shares	19,856,167,000	21.49%	19,856,167,000	20.02%
Total issued Shares	92,383,967,605	100%	99,161,076,038	100%

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 date of this announcement, 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 date of this announcement.

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.

II. 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 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 Nonpublic 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.

III. THE EXTRAORDINARY GENERAL MEETING

The extraordinary general meeting of the Bank will be convened to consider and approve, among other things, the resolutions regarding the proposed Non-public Issuance of A Shares.

A circular containing, among other things, the details of above-mentioned resolutions, together with the notice of the extraordinary general meeting will be dispatched to the Shareholders in due course.

IV. GENERAL INFORMATION

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

Investors are cautioned that the Proposed Non-public Issuance of A Shares is subject to (i) approval from Shareholders at the extraordinary general meeting; and (ii) approvals from the CSRC and other relevant authorities. Since the Proposed Non-public Issuance of A Shares is still subject to the satisfaction of various conditions stated therein, the Non-public Issuance may or may not proceed or become unconditional effective. Investors and potential investors in Shares of the Bank should exercise care, and they should only rely on information published by the Bank, when they deal, or contemplate dealing, in the Shares or other securities of the Bank.

V. DEFINITIONS

In this announcement, 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 extraordinary general meeting, details of which are set out in this announcement
“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
“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
“Bank”	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
“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
“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
“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
“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

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

Beijing, the PRC
October 26, 2022

As at the date of this announcement, the Board of the Bank comprises Mr. Liu Jianjun, Mr. Zhang Xuewen 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*