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CHINA ZHESHANG BANK CO., LTD.

浙 商 銀 行 股 份 有 限 公 司

*(A joint-stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2016)*

**PROPOSED H SHARE RIGHTS ISSUE OF 1,366,200,000 H SHARES ON THE
BASIS OF THREE (3) H RIGHTS SHARES FOR EVERY TEN (10) EXISTING
H SHARES AT HK\$2.23 PER H RIGHTS SHARE
PAYABLE IN FULL ON ACCEPTANCE**

**PROPOSED A SHARE RIGHTS ISSUE OF 5,014,409,033 A SHARES ON THE
BASIS OF THREE (3) A RIGHTS SHARES FOR EVERY TEN (10) EXISTING
A SHARES AT RMB2.02 PER A RIGHTS SHARE
PAYABLE IN FULL ON ACCEPTANCE**

**CLOSURE OF H-SHARE REGISTER
FROM WEDNESDAY, JUNE 28, 2023 TO TUESDAY, JULY 4, 2023**

SOLE GLOBAL COORDINATOR OF THE H SHARE RIGHTS ISSUE



UNDERWRITER OF THE H SHARE RIGHTS ISSUE



INTRODUCTION

We refer to (i) the announcement of the Bank dated October 28, 2021 and the circular of the Bank dated November 3, 2021 in relation to, among others, the proposed issue of A Shares and H Shares by way of Rights Issue; (ii) the poll results announcement of the Bank dated November 23, 2021 in relation to, among others, the 2021 Third EGM, the 2021 First A Share Class Meeting and the 2021 First H Share Class Meeting at which the resolutions on the Rights Issue and related matters were considered and approved; (iii) the announcement of the Bank dated October 14, 2022 and the circular of the Bank dated November 1, 2022 in relation to, among others, the proposed extension of validity period of the proposal for the Rights Issue and the proposed extension of validity period of the authorization to the Board and its authorized person(s) to deal with matters related to the Rights Issue; and (iv) the poll results announcement of the Bank dated November 21, 2022 in relation to, among others, the 2022 Second EGM, the 2022 First A Share Class Meeting and the 2022 First H Share Class Meeting at which the resolutions on the proposed extension of validity period for the Rights Issue and the proposed extension of validity period of the authorization to the Board and its authorized person(s) to deal with matters related to the Rights Issue were considered and approved.

The Bank received the written approval for the Rights Issue from CBIRC, i.e. the Approval on the Proposal for Rights Issue of Zheshang Bank from CBIRC (Yin Bao Jian Fu [2022] No. 163) (《中國銀保監會關於浙商銀行配股方案的批覆》(銀保監覆[2022]163號)) dated March 10, 2022. The Bank received the written approval for the A Share Rights Issue, i.e. the Reply on Approval for Rights Issue by China Zheshang Bank Co., Ltd. (Zheng Jian Xu Ke [2023] No. 339) (《關於核准浙商銀行股份有限公司配股的批覆》(證監許可[2023]339號)) dated February 16, 2023 and the written approval for the H Share Rights Issue, i.e. the Reply on Approval for Issuance of Overseas Listed Foreign Shares by China Zheshang Bank Co., Ltd. (Zheng Jian Xu Ke [2023] No.717) (《關於核准浙商銀行股份有限公司發行境外上市外資股的批覆》(證監許可[2023]717號)) from the CSRC dated March 30, 2023. For details, please refer to the announcements of the Bank dated March 14, 2022, February 17, 2023 and April 3, 2023, respectively.

THE RIGHTS ISSUE

The Rights Issue is proposed to be conducted on the basis of three (3) H Rights Shares for every ten (10) existing H Shares held by the Qualified H Shareholders on the H Share Rights Issue Record Date at the Subscription Price of HK\$2.23 per H Rights Share and on the basis of three (3) A Rights Shares for every ten (10) existing A Shares held by the Qualified A Shareholders on the A Share Rights Issue Record Date at the Subscription Price of RMB2.02 per A Rights Share. The Subscription Price of HK\$2.23 per H Rights Share and RMB2.02 per A Rights Share were determined by the Bank with reference to valuation indicators including the stock prices, P/E ratios and P/B ratios of the Bank in the secondary market, taking into account factors such as the development of the Bank and the interests of the Shareholders, the core tier-one capital needs of the Bank for the next three years and following the principles negotiated and determined between the Bank and the Underwriter. The H Share Rights Issue will proceed on a fully underwritten basis on the terms and conditions set out in the Underwriting Agreement.

The Rights Issue, comprising the A Share Rights Issue and the H Share Rights Issue, is estimated to raise gross proceeds in an aggregate of approximately RMB12,889 million (assuming full subscription for the A Rights Shares) or RMB9,850 million (assuming 70% subscription for the A Rights Shares).

CLOSURE OF H-SHARE REGISTER

The H-share register will be closed from Wednesday, June 28, 2023 to Tuesday, July 4, 2023 (both days inclusive). No transfer of H Shares will be registered during this period. In order to be Qualified H Shareholders, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, June 27, 2023.

Shareholders and potential investors of the Bank should note that the H Share Rights Issue is subject to the terms and conditions of the Underwriting Agreement. If any of the conditions of the H Share Rights Issue are not fulfilled, the H Share Rights Issue will not proceed. The Underwriting Agreement contains provisions entitling the Sole Global Coordinator by notice in writing to terminate the Underwriting Agreement upon the occurrence of certain events. In the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue will not proceed.

Any H Shareholder or other person dealing in H Shares up to the date on which all the conditions to which the H Share Rights Issue is subject are fulfilled (and the date on which the Sole Global Coordinator's right of terminating the Underwriting Agreement ceases) and any person dealing in the Nil-paid H Rights during the period from Friday, July 7, 2023 to Friday, July 14, 2023 (both days inclusive) will bear the risk that the H Share Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors of the Bank are recommended to consult their professional advisers.

As the tentative timetable may be subject to change and the H Share Rights Issue may or may not proceed, Shareholders and potential investors of the Bank are reminded to exercise caution when dealing in the Shares and securities of the Bank.

INTRODUCTION

We refer to (i) the announcement of the Bank dated October 28, 2021 and the circular of the Bank dated November 3, 2021 in relation to, among others, the proposed issue of A Shares and H Shares by way of Rights Issue; (ii) the poll results announcement of the Bank dated November 23, 2021 in relation to, among others, the 2021 Third EGM, the 2021 First A Share Class Meeting and the 2021 First H Share Class Meeting at which the resolutions on the Rights Issue and related matters were considered and approved; (iii) the announcement of the Bank dated October 14, 2022 and the circular of the Bank dated November 1, 2022 in relation to, among others, the proposed extension of validity period of the proposal for the Rights Issue and the proposed extension of validity period of the authorization to the Board and its authorized person(s) to deal with matters related to the Rights Issue; and (iv) the poll results announcement of the Bank dated November 21, 2022 in relation to, among others, the 2022 Second EGM, the 2022 First A Share Class Meeting and the 2022 First H Share Class Meeting at which the resolutions on the proposed extension of validity period for the Rights Issue and the proposed extension of validity period of the authorization to the Board and its authorized person(s) to deal with matters related to the Rights Issue were considered and approved.

The Bank received the written approval for the Rights Issue from CBIRC, i.e. the Approval on the Proposal for Rights Issue of Zheshang Bank from CBIRC (Yin Bao Jian Fu [2022] No. 163) (《中國銀保監會關於浙商銀行配股方案的批覆》(銀保監覆[2022]163號)) dated March 10, 2022. The Bank received the written approval for the A Share Rights Issue, i.e. the Reply on Approval for Rights Issue by China Zheshang Bank Co., Ltd. (Zheng Jian Xu Ke [2023] No. 339) (《關於核准浙商銀行股份有限公司配股的批覆》(證監許可[2023]339號)) dated February 16, 2023 and the written approval for the H Share Rights Issue, i.e. the Reply on Approval for Issuance of Overseas Listed Foreign Shares by China Zheshang Bank Co., Ltd. (Zheng Jian Xu Ke [2023] No.717) (《關於核准浙商銀行股份有限公司發行境外上市外資股的批覆》(證監許可[2023]717號)) from the CSRC dated March 30, 2023. For details, please refer to the announcements of the Bank dated March 14, 2022, February 17, 2023 and April 3, 2023, respectively.

THE RIGHTS ISSUE

The Rights Issue is proposed to be conducted on the basis of three (3) H Rights Shares for every ten (10) existing H Shares held by the Qualified H Shareholders on the H Share Rights Issue Record Date at the Subscription Price of HK\$2.23 per H Rights Share and on the basis of three (3) A Rights Shares for every ten (10) existing A Shares held by the Qualified A Shareholders on the A Share Rights Issue Record Date at the Subscription Price of RMB2.02 per A Rights Share. The Subscription Price of HK\$2.23 per H Rights Share and RMB2.02 per A Rights Share were determined by the Bank with reference to valuation indicators including the stock prices, P/E ratios and P/B ratios of the Bank in the secondary market, taking into account factors such as the development of the Bank and the interests of the Shareholders, the core tier-one capital needs of the Bank for the next three years and following the principles negotiated and determined between the Bank and the Underwriter. The H Share Rights Issue will proceed on a fully underwritten basis on the terms and conditions set out in the Underwriting Agreement.

The Rights Issue, comprising the A Share Rights Issue and the H Share Rights Issue, is estimated to raise gross proceeds in an aggregate of approximately RMB12,889 million (assuming full subscription for the A Rights Shares) or RMB9,850 million (assuming 70% subscription for the A Rights Shares).

H SHARE RIGHTS ISSUE

The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the paragraph headed “Conditions of the H Share Rights Issue” in this announcement.

Details of the H Share Rights Issue are as follows:

H Share Rights Issue statistics

Basic of the H Share Rights Issue:	three (3) H Rights Shares for every ten (10) existing H Shares held by the Qualified H Shareholders on the H Share Rights Issue Record Date
Number of H Shares in issue as at the date of this announcement:	4,554,000,000 H Shares
Number of H Rights Shares proposed to be issued (assuming the number of H Shares in issue on the H Share Rights Issue Record Date remains the same as at the date of this announcement):	1,366,200,000 H Shares
Aggregate nominal value of H Rights Shares:	RMB1,366,200,000
Subscription Price:	HK\$2.23 per H Rights Share
Sole Global Coordinator:	CLSA Limited
Underwriter:	CLSA Limited

Assuming no change in the number of issued H Shares on or before the H Share Rights Issue Record Date, the 1,366,200,000 H Rights Shares proposed to be issued pursuant to the terms of the H Share Rights Issue represent: (i) 30% of the existing issued H Share capital of the Bank as at the date of this announcement; and (ii) 23.08% of the issued H Share capital of the Bank as enlarged by the allotment and issuance of the H Rights Shares (assuming there is no other change in the shareholding structure of the Bank since the date of this announcement).

As at the date of this announcement, the Bank has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into H Shares.

Basis of Entitlement

Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the H Share Rights Issue” below, Qualified H Shareholders will be provisionally allotted three (3) H Rights Shares for every ten (10) existing H Shares held as at the close of business on the H Share Rights Issue Record Date at the Subscription Price, being HK\$2.23, for each H Rights Share payable in full on acceptance. Application for all or any part of a Qualified H Shareholder’s provisional allotment should be made by lodging the completed Provisional Allotment Letter with the H Share Registrar with a cheque or banker’s cashier order for the sum payable for the H Rights Shares being applied for on or before the Latest Acceptance Date.

Qualified H Shareholders, PRC Southbound Trading Investors and Closure of H-Share Register

The Bank will dispatch the Prospectus Documents comprising the H Share Rights Issue Prospectus, the Provisional Allotment Letter(s) and the Excess Application Form(s), to the Qualified H Shareholders only. To qualify for the subscription of the H Rights Shares, an H Shareholder must be registered as a member of the Bank as at the close of business on the H Share Rights Issue Record Date and must not be an Excluded H Shareholder.

The PRC Southbound Trading Investors may participate in the H Share Rights Issue through CSDCC. CSDCC will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their Nil-paid H Rights on the Hong Kong Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of the H Shares held on the H Share Rights Issue Record Date at the Subscription Price under the H Share Rights Issue in accordance with the relevant laws and regulations. However, CSDCC will not support applications by such PRC Southbound Trading Investors for excess H Rights Shares under the H Share Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. In addition, according to the legal opinion of the PRC legal advisers of the Bank, the PRC Southbound Trading Investors (or the relevant CSDCC participants, as the case may be) whose stock accounts with CSDCC are credited with Nil-paid H Rights can only sell those Nil-paid H Rights on the Hong Kong Stock Exchange through CSDCC under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, and can neither purchase any Nil-paid H Rights nor transfer such Nil-paid H Rights to other PRC Southbound Trading Investors.

Save for the PRC Southbound Trading Investors and the Qualified H Shareholders who have been exempted by or have obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations, according to the legal opinion of the PRC legal advisers of the Bank, other H Shareholders in the PRC are not entitled to participate in the H Share Rights Issue.

The PRC Southbound Trading Investors should seek advice from their intermediaries (including brokers, custodians, nominees or CSDCC participants) and/or other professional advisers for details of the logistical arrangements as required by CSDCC, and provide instructions to such intermediaries in relation to the acceptance and/or sale of the Nil-paid H Rights. Such instructions should be given in advance of the latest time for acceptance of and payment for the H Rights Shares and application and payment for the excess H Rights Shares as described in the paragraph headed “Expected H Share Rights Issue Timetable” below, and otherwise in accordance with the requirements of the intermediaries of the PRC Southbound Trading Investors and/or CSDCC in order to allow sufficient time to ensure that such instructions are given effect.

The last day of dealings in the H Shares on a cum-rights basis will be Friday, June 23, 2023 and the H Shares will be dealt with on an ex-rights basis from Monday, June 26, 2023. In order to be Qualified H Shareholders, all the transfer documents accompanied by relevant share certificates must be lodged with the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, June 27, 2023 for registration.

The PRC Southbound Trading Investors are reminded that Friday, June 23, 2023 is a public holiday in Mainland China, on which day the Southbound Trading under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will be closed for dealing. Therefore, the last day for PRC Southbound Trading Investors to deal in H Shares on a cum-right basis will be Wednesday, June 21, 2023. The PRC Southbound Trading Investors should seek advice from their intermediaries (including brokers, custodians, nominees or CSDCC participants) and/or other professional advisers for details of the logistical arrangements for dealing in H Shares on a cum-right basis.

The H Share Register will be closed from Wednesday, June 28, 2023 to Tuesday, July 4, 2023 (both days inclusive). No transfer of H Shares will be registered during this period.

Qualified H Shareholders who do not take up the H Rights Shares to which they are entitled should note that their shareholdings in the Bank will be diluted.

Excluded H Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than (a) Hong Kong; and (b) the PRC (pursuant to the CSRC Announcement).

Pursuant to Rule 13.36(2) of the Hong Kong Listing Rules, the Board is currently making enquiries regarding the feasibility of extending the H Share Rights Issue to the Overseas Shareholders. If, based on the enquiries made by the Bank and the legal opinions obtained from the relevant jurisdictions, the Board is of the view that it would be necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (who are Excluded H Shareholders) on account either of the legal restrictions under the laws of the place of their registered addresses or the requirements of the relevant regulatory body or stock exchange in that place, no offer of the H Share Rights Issue will be made to such Excluded H Shareholders and no provisional allotment of Nil-paid H Rights or allotment of H Rights Shares will be made to them. Further information will be set out in the H Share Rights Issue Prospectus.

To the extent reasonably practicable and legally permitted, the Bank will send the H Share Rights Issue Prospectus to each of the Excluded H Shareholders for information purposes only, but will not send the Provisional Allotment Letters or the Excess Application Forms to the Excluded H Shareholders. However, the H Share Rights Issue Prospectus shall not be despatched to the Excluded H Shareholders whom the Bank knows to be residents in the jurisdiction(s) which restrain(s) the posting of the Prospectus Documents.

Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded H Shareholders, to be sold in the market in their nil-paid form, as soon as practicable after the commencement of the dealings in the Nil-paid H Rights, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid on a pro-rata basis to the Excluded H Shareholders, which means the Bank will pay individual amounts of more than HK\$100 to the relevant Excluded H Shareholders, provided that the Bank will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Excluded H Shareholders will be made available for excess application by the Qualified H Shareholders.

Subscription Price for the H Rights Shares

The Subscription Price of HK\$2.23 per H Rights Share is payable in full when a Qualified H Shareholder accepts the relevant provisional allotment of H Rights Shares or applies for excess H Rights Shares or when a transferee of Nil-paid H Rights accepts the H Rights Shares.

The Subscription Price of HK\$2.23 per H Rights Share represents:

1. a discount of approximately 15.2% to the closing price of HK\$2.63 per H Share as quoted on the Hong Kong Stock Exchange on June 9, 2023 (being the Business Day immediately preceding the date of the Underwriting Agreement);
2. a discount of approximately 15.2% to the closing price of HK\$2.63 per H Share as quoted on the Hong Kong Stock Exchange on June 9, 2023 (being the Price Determination Date);
3. a discount of approximately 14.4% to the average closing price of HK\$2.61 per H Share as quoted on the Hong Kong Stock Exchange for the 5 consecutive trading days up to and including June 9, 2023 (being the Price Determination Date);
4. a discount of approximately 14.7% to the average closing price of HK\$2.62 per H Share as quoted on the Hong Kong Stock Exchange for the 10 consecutive trading days up to and including June 9, 2023 (being the Price Determination Date);
5. a discount of approximately 16.4% to the average closing price of HK\$2.67 per H Share as quoted on the Hong Kong Stock Exchange for the 20 consecutive trading days up to and including June 9, 2023 (being the Price Determination Date);
6. a discount of approximately 12.1% to the theoretical ex-rights price of HK\$2.54 per H Share based on the closing price of HK\$2.63 per H Share as quoted on the Hong Kong Stock Exchange on June 9, 2023 (being the Price Determination Date); and

7. Assuming A Rights Shares are 100% subscribed, a theoretical dilution effect (as defined under Rule 7.27B of the Hong Kong Listing Rules) represented by:
- (i) a discount of approximately 6.3% to all the existing Shareholders, which is calculated based on the weighted theoretical diluted price of approximately HK\$2.87 per Rights Share to the weighted benchmarked price of approximately HK\$3.06 per Rights Share;
 - (ii) a discount of approximately 3.5% to all the existing H Shareholders, which is calculated based on the theoretical diluted price of approximately HK\$2.54 per H Rights Share to the benchmarked price of approximately HK\$2.63 per H Rights Share; and
 - (iii) a discount of approximately 6.9% to all the existing A Shareholders, which is calculated based on the theoretical diluted price of approximately HK\$2.96 per A Rights Share to the benchmarked price of approximately HK\$3.18 per A Rights Share.

All of the abovementioned theoretical diluted price and benchmarked price, as defined under Rule 7.27B of the Hong Kong Listing Rules, have taken into account the closing price of the H Shares and/or A Shares on the date of the Underwriting Agreement and the average of the closing prices of the H Shares and/or A Shares as quoted on the Hong Kong Stock Exchange and/or SSE for the last five (5) consecutive trading days up to and including the Price Determination Date. Accordingly, the Rights Issue will not result in a theoretical dilution effect of 25% or more under Rule 7.27B of the Hong Kong Listing Rules.

The Subscription Price of HK\$2.23 per H Rights Share was determined by the Bank with reference to valuation indicators including the stock prices, P/E ratios and P/B ratios of the Bank in the secondary market, taking into account factors such as the development of the Bank and the interests of the Shareholders, the core tier-one capital needs of the Bank for the next three years and following the principles negotiated and determined between the Bank and the Underwriter.

The net price per H Rights Share (i.e. the Subscription Price less estimated cost and expense incurred in the H Share Rights Issue) upon full acceptance of the relevant provisional allotment of the H Rights Shares will be further disclosed as soon as practicable.

After taking into account the reasons for the Rights Issue as stated in the paragraph headed “Reasons for the Rights Issue and Use of Proceeds” below, the Directors (including the independent non-executive Directors) consider that the terms of the H Share Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Bank and the H Shareholders as a whole.

Status of the H Rights Shares

The H Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the H Shares then in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

H Share Rights Issue Fractional Entitlements

The Bank will neither provisionally allot fractional entitlements to H Rights Shares nor accept any application for fractional entitlements to H Rights Shares. Qualified H Shareholders' entitlements will be rounded down to the nearest whole number. Nil-paid H Rights representing the aggregate of all the fractional entitlements to H Rights Shares (rounded down to the nearest whole number) will be provisionally allotted to a nominee appointed by the Bank and, if a premium (net of expenses) can reasonably be obtained, will be sold by the Bank or its appointed nominee in the market in their nil-paid form after dealing in the Nil-paid H Rights commences and the net proceeds of sale will be retained by the Bank for its own benefit. Any unsold fractions of H Rights Shares will be available for excess application by Qualified H Shareholders. No odd lot matching services will be provided for the H Share Rights Issue.

Application for Excess H Rights Shares

Qualified H Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for: (i) any H Rights Shares to which unsold entitlements of the Excluded H Shareholders relate; (ii) any unsold fractional entitlements to the H Rights Shares; and (iii) any H Rights Shares provisionally allotted to but not accepted by the Qualified H Shareholders or otherwise not subscribed for by transferees of Nil-paid H Rights.

Application for excess H Rights Shares shall be made only by Qualified H Shareholders (other than PRC Southbound Trading Investors) by completing and signing an Excess Application Form in accordance with the instructions printed thereon and lodging the same with a separate remittance for the amount payable on application in respect of the excess H Rights Shares being applied for with the H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Wednesday, July 19, 2023.

All remittances must be made in Hong Kong dollars and by cheque or cashier's order. Cheques must be drawn on an account with, and cashier's order must be issued by, a licensed bank in Hong Kong and made payable to the designated account as mentioned in the H Share Rights Issue Prospectus and crossed "**Account Payee Only**".

The Board will allocate the excess H Rights Shares at its sole and absolute discretion on a fair and equitable basis, and no preference will be given to applications for topping up odd-lot holdings to whole-lot holdings. All excess H Rights Shares will be allocated to Qualified H Shareholders (other than the PRC Southbound Trading Investors) who have applied for excess H Rights Shares on a pro-rata basis with reference to their number of excess H Rights Shares applied for.

If the aggregate number of H Rights Shares not taken up by the Qualified H Shareholders under the Provisional Allotment Letters is greater than the aggregate number of excess H Rights Shares applied for through the Excess Application Forms, the Directors will allocate excess H Rights Shares to each Qualified H Shareholder who applies for excess H Rights Shares in full. No preference will be given to topping up odd lots to whole board lots. There is no guarantee that Qualified H Shareholders with odd lots of H Rights Shares will be topped up to whole board lots pursuant to their applications for excess H Rights Shares.

If no excess H Rights Shares are allotted and issued to a Qualified H Shareholder, the amount tendered on application is expected to be refunded to that Qualified H Shareholder in full without any interest by means of cheque(s) despatched by ordinary post to the applicant's registered address and at the risk of such Qualified H Shareholder on or about Thursday, July 27, 2023. If the number of excess H Rights Shares allotted and issued to a Qualified H Shareholder is less than the number applied for, the surplus application monies are also expected to be refunded to such Qualified H Shareholder without any interest by means of cheque(s) despatched by ordinary post to such Qualified H Shareholder's registered address and at the risk of such Qualified H Shareholder on or about Thursday, July 27, 2023.

If the Sole Global Coordinator exercises the right to terminate the Underwriting Agreement in accordance with the terms thereof or if the conditions precedent under the Underwriting Agreement are not fulfilled before the Latest Time for Termination and the H Share Rights Issue does not proceed, the monies received in respect of relevant applications for excess H Rights Shares will be returned to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post to such persons' registered addresses at the risk of such persons on or about Thursday, July 27, 2023.

The Excess Application Form is for use only by the person(s) to whom it is addressed and is not transferable. All enquiries in connection with the Excess Application Form should be addressed to the H Share Registrar.

H Shareholders whose H Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the H Share Rights Issue, the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the H-share register. Accordingly, the H Shareholders should note that the aforesaid arrangement in relation to the allocation of excess H Rights Shares will not be extended to Beneficial H Shareholder(s) individually. H Shareholders whose H Shares are held by a nominee company (including HKSCC Nominees Limited) are advised to consider whether they would like to arrange for the registration of the relevant H Shares in the name of the Beneficial H Shareholder(s) prior to the H Share Rights Issue Record Date. For those H Shareholders who would like to have their names registered on the H-share register, all necessary documents must be lodged with the H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, June 27, 2023.

Conditions of the H Share Rights Issue

It is expected that the H Share Rights Issue will be conditional upon the fulfillment of the following matters:

1. the approval of the Rights Issue by the Shareholders at the EGM;
2. the approval of the Rights Issue at the H Share Class Meeting by H Shareholders and the A Share Class Meeting by A Shareholders, respectively;
3. the approval of the Rights Issue by the CSRC and other relevant regulatory authorities;
4. the Listing Committee of the Hong Kong Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms on the Hong Kong Stock Exchange, either unconditionally or subject to such conditions which the Bank accepts and the satisfaction of such conditions (if any) by no later than the date of the delivery of the H Share Rights Issue Prospectus; and

5. the delivery to the Hong Kong Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by laws to be filed and registered with the Companies Registry in Hong Kong.

None of the above conditions for completion of the H Share Rights Issue may be waived by the Bank. As at the date of this announcement, the conditions under 1 to 3 above have been fulfilled.

If any of the above conditions is not fulfilled, the H Share Rights Issue will not proceed.

Furthermore, it should be noted that the H Share Rights Issue will proceed on a fully underwritten basis in accordance with Rule 7.19(1)(a) of the Hong Kong Listing Rules. Please refer to the paragraph headed “H Share Rights Issue Underwriting Arrangement” below for details of the underwriting arrangement. Pursuant to the Underwriting Agreement, the underwriting obligations of the Underwriter under the Underwriting Agreement are conditional upon, among other things, the A Share Rights Issue having become unconditional, including but not limited to, at least 70% of the A Rights Shares having been validly subscribed for at or prior to the date of the H Share Rights Issue Prospectus. **In the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue may not proceed.**

H Shareholders’ Undertakings

Zhejiang Seaport (Hong Kong) Co., Limited, which directly held 925,700,000 H Shares, representing approximately 4.35% of the total issued share capital of the Bank as at the date of this announcement, has irrevocably undertaken to subscribe in cash for all the offered H Rights Shares which will be allotted to it in proportion to its shareholding in the Bank as of the H Share Record Date based on the Subscription Price and according to the relevant procedures and requirements as prescribed in the H Share Rights Issue Prospectus.

Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd., which directly held 135,300,000 H Shares, representing approximately 0.64% of the total issued share capital of the Bank as at the date of this announcement, has irrevocably undertaken to subscribe in cash for all the offered H Rights Shares which will be allotted to it in proportion to its shareholding in the Bank as of the H Share Record Date based on the Subscription Price and according to the relevant procedures and requirements as prescribed in the H Share Rights Issue Prospectus.

Application for Listing/Dealing Arrangements

Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Rights Shares, in both nil-paid and fully-paid forms. Dealings in the nil-paid and fully-paid H Rights Shares will be subject to the payment of Hong Kong stamp duty, Hong Kong Stock Exchange trading fee, Securities and Futures Commission transaction levy, Accounting and Financial Reporting Council of Hong Kong transaction levy or any other applicable fees and charges in Hong Kong. The board lot size of Nil-paid H Rights and H Rights Shares is 1,000 Nil-paid H Rights and 1,000 H Rights Shares, respectively.

H Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of listing of, and permission to deal in, the H Rights Shares in both their nil-paid and fully-paid forms on the Hong Kong Stock Exchange, and subject to compliance with the stock admission requirements of HKSCC, the H Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the H Rights Shares in both their nil-paid and fully-paid forms on the Hong Kong Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. H Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

H Share Rights Issue Underwriting Arrangement

The H Share Rights Issue will proceed on a fully-underwritten basis in accordance with Rule 7.19(1)(a) of the Hong Kong Listing Rules. The Underwriter is licensed or registered under the Securities and Futures Ordinance for Type 1 regulated activity and their ordinary course of business includes underwriting of securities, and is not a connected person of the Bank. Details of the underwriting arrangement in relation to the H Share Rights Issue are set out below:

Date: June 11, 2023

Sole Global Coordinator: CLSA Limited

Underwriter: CLSA Limited

To the best of the Directors' knowledge and information and having made all reasonable enquiries, as at the date of this announcement, the above Underwriter and its ultimate beneficial owner(s) are third parties independent of the Bank and connected persons (as defined in the Hong Kong Listing Rules) of the Bank.

Total number of underwritten H Rights Shares: 1,366,200,000 shares

Underwriting Fee: 1.0% of a sum which is equal to the Subscription Price multiplied by the total number of 1,366,200,000 H Rights Shares

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiations between the Bank and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, the current and expected market condition, the market price of the Shares and the prevailing market rate of similar transactions. The Board (including the independent non-executive Directors) considers that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable and in the interests of the Bank and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Conditions of the Underwriting Agreement

The underwriting obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) all the respective representations and warranties and other statements referred to in the Underwriting Agreement on the part of the Bank being true, accurate and not misleading at and as of the date of the Underwriting Agreement, the date of the H Share Rights Issue Prospectus and the date of any supplementary rights issue prospectus (if applicable), as of the time of sale, as of the Latest Time for Termination and at the time of delivery, as if they had been repeated by reference to the facts and circumstances then existing;

- (ii) the H Rights Shares being duly issued and provisionally allotted by the authorized representatives of the Board on the terms set out in the Prospectus Documents to the Qualified H Shareholders;
- (iii) the Sole Global Coordinator and the Underwriter having received from the Bank certain documents and, if applicable, certain documents in relation to supplementary rights issue prospectus as specified in the Underwriting Agreement in accordance with the timing set out therein;
- (iv) the approvals of the Rights Issue granted by the CBIRC, the CSRC and other relevant PRC authorities (if any) being valid and not having been withdrawn, amended or revoked;
- (v) the approvals of the Rights Issue granted by the Shareholders at (i) the 2021 Third EGM, the 2021 First A Share Class Meeting and the 2021 First H Share Class Meeting held on 23 November 2021 and (ii) the 2022 Second EGM, the 2022 First A Share Class Meeting and the 2022 First H Share Class Meeting held on 21 November 2022 being valid and not having been withdrawn or revoked;
- (vi) the Hong Kong Stock Exchange issuing a certificate authorizing the registration of the Prospectus Documents with the Registrar of Companies (“**Registrar of Companies**”) under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on or before the date of the H Share Rights Issue Prospectus;
- (vii) duly certified copy of the Prospectus Documents (and all other required documents) having been lodged with the Registrar of Companies, and the Registrar of Companies having duly registered the Prospectus Documents pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on or before the date of the H Share Rights Issue Prospectus;
- (viii) the grant of listing of and permission to deal in the Nil-paid H Rights and the H Rights Shares by the Hong Kong Stock Exchange and dealings in the Nil-paid H Rights and the H Rights Shares being allowed by the Hong Kong Stock Exchange (and such listing and permission not subsequently being withdrawn or revoked);
- (ix) posting of the Prospectus Documents to the Qualified H Shareholders on or before Monday, July 3, 2023 (or such later time and/or date as the Bank and the Sole Global Coordinator may agree in writing) and the posting, to the extent reasonably practicable and legally permitted, of the H Share Rights Issue Prospectus for information purposes only to the Excluded H Shareholders; provided that the H Share Rights Issue Prospectus shall not be posted to Excluded H Shareholders who are known by the Bank to be resident in the jurisdictions which restrict the posting of the Prospectus Documents, including but not limited to the United States, if any;
- (x) the compliance with and performance by the H Share Committed Shareholders with all of obligations and undertakings under the Irrevocable Undertakings by the times specified therein;
- (xi) the A Share Rights Issue having become unconditional, including but not limited to, at least 70% of the A Rights Shares having been validly subscribed for at or prior to the date of the H Share Rights Issue Prospectus;

- (xii) the compliance with and performance by the Bank of all of its undertakings and obligations under the Underwriting Agreement and the Prospectus Documents in all material respects;
- (xiii) the execution and delivery of the sub-underwriting agreement between the Underwriter and CMB International Capital Limited (the “**Sub-Underwriter**”) in connection with sub-undertaking by the Sub-Underwriter and such agreement not subsequently having been terminated, the obligations of the sub-underwriter under the sub-underwriting agreement having become unconditional in accordance with its terms, save for the condition therein relating to the obligations of the Underwriter under the Underwriting Agreement (and any condition for the Underwriting Agreement to become unconditional), and the sub-underwriting agreement not having been terminated in accordance with its terms or otherwise, prior to the Latest Time for Termination;
- (xiv) the consummation of the H Share Rights Issue and the performance of obligations of the Sole Global Coordinator and/or the Underwriter under the Underwriting Agreement not being prohibited by any statute, order, rule, regulation or directive issued by any legislative, executive or regulatory body or authority;
- (xv) no stop order or similar order having been issued by any court or other judicial, governmental or regulatory authority in relation to the H Share Rights Issue nor the sale and subscription and/or purchase of the H Rights Shares (in their nil-paid and fully-paid forms, respectively); and
- (xvi) no matter having arisen prior to the Latest Time for Termination which might reasonably be expected to give rise to a claim under “Termination of the Underwriting Agreement” and which, in any such case, the Sole Global Coordinator considers in its absolute discretion, as applicable, to be material in the context of the H Share Rights Issue or the underwriting of the H Share Rights Issue.

The Sole Global Coordinator may at any time in writing waive any of the conditions specified above (except the conditions specified in (ii), (iv) to (ix), (xi), (xiv) and (xv)) or extend time or date for fulfilment of any of the above conditions (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Sole Global Coordinator. As at the date of this announcement, the conditions specified in (iv) and (v) above have been fulfilled.

As to the condition specified in (xiii) above, the Underwriter confirmed to the Bank that as at the date of this announcement, it has entered into the sub-underwriting agreement with the Sub-Underwriter in respect of the Underwriter’s obligations under the Underwriting Agreement. To the best of the Directors’ knowledge and information and having made all reasonable enquiries, the Sub-Underwriter and its ultimate beneficial owners are third parties independent of the Bank and connected persons (as defined in the Hong Kong Listing Rules) of the Bank.

Termination of the Underwriting Agreement

If at any time prior to the Latest Time for Termination if:

- (i) any matter or circumstance arises as a result of which any of the conditions set out in “Conditions of the Underwriting Agreement” has become incapable of satisfaction as at the required time (unless otherwise waived or modified by the Sole Global Coordinator);
- (ii) there shall have developed, occurred, happened or come into effect any change, or any development involving a prospective change, or any event or circumstance likely to result in a material adverse change or a development involving a prospective material adverse change, in or affecting the assets, liabilities, business, operations, general affairs, management, prospects, Shareholders’ equity, profits, losses, results of operations, position or condition, financial, trading position or otherwise, or performance of the Bank and the other members of the Group, taken as a whole; or

- (iii) any breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Sole Global Coordinator or the Underwriter, or there has been a breach on the part of the Bank of any other provision of the Underwriting Agreement or the Sole Global Coordinator has cause to believe that any such breach has occurred; or
- (iv) there shall have developed, occurred, happened or come into effect any of the following: (A) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange; (B) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in any securities of the Bank listed or quoted on a stock exchange; (C) any downgrading or any notice or announcement of any intended or potential downgrading or of any watch, review or possible change that does not indicate an affirmation or improvement in the rating accorded any securities of or guaranteed by the Bank or any other member of the Group by any national or international rating agency; (D) a general moratorium on commercial banking activities declared by relevant authorities in Hong Kong, the PRC, the United States, the U.K. or the European Union (or any member thereof) (each a “**Relevant Jurisdiction**”) or a disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; (E) any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting any taxation, exchange controls or currency exchange rates in any Relevant Jurisdiction; (F) any new laws or any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting existing laws or the interpretation or application of existing laws by any court or other competent authority in any Relevant Jurisdiction; (G) any event or circumstance in the nature of force majeure, including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in each case, involving or affecting any Relevant Jurisdiction; or (H) any change or development or any event or series of events involving a prospective change or any event or series of events or circumstance likely to result in a change or a development involving a prospective change (whether or not permanent) in any local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets and credit markets) in or affecting any Relevant Jurisdiction; or
- (v) any statement contained in any of the Offer Documents (or any supplement or amendment thereto) was or has become untrue or incorrect in any material respect or misleading; or
- (vi) any matter has arisen or been discovered which would, if the Offer Documents (or any supplement or amendment thereto) had been issued at that time, constitute a material omission therefrom if it had not been disclosed in the Offer Documents (or any supplement or amendment thereto); or
- (vii) the Bank is required to issue a supplementary prospectus in connection with the H Share Rights Issue; or

- (viii) the permission to deal in and the listing of the H Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Hong Kong Stock Exchange; or
- (ix) an authority or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group; or
- (x) any change or prospective change in the condition, results of operations, prospects, management, business, Shareholders' equity or in the financial or trading position of any member of the Group; or
- (xi) any Director of the Bank committing any act of fraud or other indictable offense,

which, individually or in the aggregate, and in the sole and absolute opinion of the Sole Global Coordinator:

- (a) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial, trading or other condition or prospects of the Group;
- (b) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the H Rights Shares in the secondary market; or
- (c) makes it impracticable, inadvisable or inexpedient to proceed with the H Shares Rights Issue on the terms and in the manner contemplated in the Prospectus Documents,

then and in any such case, the Sole Global Coordinator may terminate the Underwriting Agreement with immediate effect without liability in writing, provided that such notice is received at or prior to the Latest Time for Termination.

If prior to the Latest Time for Termination, any notice is given by the Sole Global Coordinator in accordance with above conditions, the obligations of all parties under the Underwriting Agreement shall terminate forthwith (save in respect of certain rights and obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties thereto in respect of any breach of the Underwriting Agreement occurring prior to such termination.

Lock-up Undertakings

Pursuant to the Underwriting Agreement, the Bank undertakes to the Sole Global Coordinator and the Underwriter that, unless with the prior written consent of the Sole Global Coordinator (such consent not to be unreasonably withheld or delayed), for the period from the date of the Underwriting Agreement and ending on the date which is 90 days after the first day of trading of the H Rights Shares on the Hong Kong Stock Exchange, it shall not (except in relation to the Nil-paid H Rights, the H Rights Shares, the A Rights Shares and the Rights Issue as a whole):

- (a) allot or issue or sell, or offer to allot or issue or sell, accept subscription for, pledge, lend, mortgage, assign, charge, purchase any option or contract to sell, or grant any option, right or warrant to subscribe for or purchase or lend or otherwise dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or other equity securities of the Bank or any interests therein (including but not limited to any securities convertible into or exercisable or exchangeable for any Shares or which carry rights to subscribe for or purchase or receive Shares), or deposit Shares with a depositary in connection with the issue of depositary receipts;

- (b) enter into a transaction (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any of the economic consequences of ownership of any Shares or such equity securities of the Bank or any interest therein or has an effect on the market in the Shares similar to that of a sale of interest in Shares or repurchase of any Shares;
- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above;
- (d) offer or agree or contract or announce any intention to enter into or effect any such transaction described in (a), (b) or (c) above whether any of the foregoing transactions described in (a), (b) or (c) above is to be settled by delivery of Shares or such other securities, in cash or otherwise,

provided that the above restrictions (a) shall not apply to any issuance of stock dividends, and (b) shall cease to apply if the Underwriting Agreement (i) does not become unconditional and is terminated; or (ii) is terminated by the Sole Global Coordinator pursuant to the termination events set out in “Termination of the Underwriting Agreement”.

Warning of the Risks of Dealing in the H Shares and Nil-paid H Rights

Existing H Shares are expected to be dealt in on an ex-rights basis from Monday, June 26, 2023. Dealings in the Nil-paid H Rights are expected to take place from Friday, July 7, 2023 to Friday, July 14, 2023 (both days inclusive). **If the conditions of the H Share Rights Issue (please see the paragraph headed “Conditions of the H Share Rights Issue” above) are not fulfilled, the H Share Rights Issue will not proceed.**

Furthermore, in the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue may not proceed.

Any dealing in the H Shares or the Nil-paid H Rights is at the investor’s own risk. If in any doubt, investors are recommended to consult their professional advisers.

Despatch of H Share Certificates and Refund Cheques

Subject to fulfilment of the conditions of the H Share Rights Issue, it is expected that the certificates for the H Rights Shares will be despatched by ordinary post to the Shareholders entitled to receive share certificates, at their own risk, to their registered addresses by the H Share Registrar on or about Thursday, July 27, 2023. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques are expected to be despatched by ordinary post to the relevant Shareholders, at their own risk, to their registered addresses by the H Share Registrar on or about Thursday, July 27, 2023. Refund cheques in respect of wholly or partially unsuccessful applications for excess H Rights Shares (if any) are expected to be despatched by ordinary post to the applicants, at their own risk, to their registered addresses by the H Share Registrar on or about Thursday, July 27, 2023.

Taxation

Qualified H Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding, disposing of or dealing in the H Rights Shares (in their nil-paid and/or fully-paid forms) and, as regards the Excluded H Shareholders, their receipt of the net proceeds of the Nil-paid H Rights otherwise falling to be issued to them under the H Share Rights Issue. It is emphasized that neither the Bank, the Directors nor any other party involved in the H Share Rights Issue accept responsibility for any tax effects or liabilities of holders of the H Rights Shares resulting from the purchase, holding, disposal of, or dealing in the H Rights Shares (in their nil-paid and/or fully-paid forms).

Expected H Share Rights Issue Timetable

Last day of dealings in H Shares on a cum-rights basis ⁽¹⁾	Friday, June 23, 2023
First day of dealings in H Shares on an ex-rights basis	Monday, June 26, 2023
Latest time for lodging transfer of H Shares in order to qualify for the H Share Rights Issue	4:30 p.m. on Tuesday, June 27, 2023
H-share register closed	Wednesday, June 28, 2023 to Tuesday, July 4, 2023 (both days inclusive)
H Share Rights Issue Record Date	Tuesday, July 4, 2023
H-share register re-opens	Wednesday, July 5, 2023
Despatch of Prospectus Documents	Wednesday, July 5, 2023
First day of dealings in Nil-paid H Rights	Friday, July 7, 2023
Latest time for splitting Nil-paid H Rights	4:30 p.m. on Tuesday, July 11, 2023
Last day of dealings in Nil-paid H Rights	Friday, July 14, 2023
Latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares	4:00 p.m. on Wednesday, July 19, 2023
Latest time for the termination of the Underwriting Agreement and for the H Share Rights Issue to be become unconditional	5:00 p.m. on Thursday, July 20, 2023
Announcement of results of acceptance of and excess applications for H Rights Shares	Wednesday, July 26, 2023
Despatch of certificates for fully-paid H Rights Shares	Thursday, July 27, 2023
Despatch of refund cheques in respect of not accepted or partially accepted applications for excess H Rights Shares	Thursday, July 27, 2023
Commencement of dealings in fully-paid H Rights Shares	9:00 a.m. on Friday, July 28, 2023

Note:

- (1) **The PRC Southbound Trading Investors are reminded that Friday, June 23, 2023 is a public holiday in Mainland China, on which day the Southbound Trading under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will be closed for dealing.** Therefore, the last day for PRC Southbound Trading Investors to deal in H Shares on a cum-right basis will be Wednesday, June 21, 2023. The PRC Southbound Trading Investors should seek advice from their intermediaries (including brokers, custodians, nominees or CSDCC participants) and/or other professional advisers for details of the logistical arrangements for dealing in H Shares on a cum-right basis.

All dates and times herein refer to Hong Kong local dates and times. Shareholders should note that the dates specified in the expected timetable of the H Share Rights Issue as set out above, and in other parts of this announcement, are indicative only and may be changed by the Board. In the event any special circumstances arise, the Board or the authorized person(s) by the Board may extend or make adjustments to the timetable if it considers appropriate. Any such change to the expected timetables will be published or notified to the Shareholders accordingly.

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR H RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS H RIGHTS SHARES

The latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will not take place if a tropical cyclone warning signal number 8 or above or an “extreme conditions” caused by super typhoons or “black” rainstorm warning signal is issued by the Hong Kong Observatory:

1. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead, the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
2. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead, the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the paragraph headed “Expected H Share Rights Issue Timetable” above may be affected. An announcement will be made by the Bank in such event as soon as practicable.

A SHARE RIGHTS ISSUE

Details of the A Share Rights Issue are as follows:

A Share Rights Issue statistics

Basis of A Share Rights Issue:	Three (3) A Rights Shares for every ten (10) existing A Shares held by the Qualified A Shareholders on the A Share Rights Issue Record Date
Number of A Shares in issue as at the date of this announcement:	16,714,696,778 A Shares
Number of A Rights Shares proposed to be issued (assuming the number of A Shares in issue on the A Share Rights Issue Record Date remains the same as at the date of this announcement):	5,014,409,033 A Shares
Subscription Price:	RMB2.02 per A Rights Share
Sponsor:	CITIC Securities Co., Ltd.

Joint lead underwriters:

CITIC Securities Co., Ltd., China International Capital Corporation Limited, CSC Financial Co., Ltd., Huatai United Securities Company Limited, Shenwan Hongyuan Financing Services Co., Ltd., Guotai Junan Securities Co., Ltd., China Industrial Securities Co., Ltd. and Caitong Securities Co., Ltd.

Basis of Entitlement

Subject to fulfilment of the conditions set out below in the paragraph headed “Conditions of the A Share Rights Issue”, Qualified A Shareholders will be provisionally allotted three (3) A Rights Shares for every ten (10) existing A Shares held by Qualified A Shareholders on the A Share Rights Issue Record Date at the Subscription Price, being RMB2.02, for each A Rights Share payable in full on acceptance.

Qualified A Shareholders

To qualify for the A Share Rights Issue, an A Shareholder must be registered on the register of the Bank at the CSDCC Shanghai branch on the A Share Rights Issue Record Date.

A Share Rights Issue Timetable

Publication of A Share Rights Issue Prospectus	Monday, June 12, 2023
On-line Roadshow	Tuesday, June 13, 2023
A Share Rights Issue Record Date	Wednesday, June 14, 2023
Commencement of the A Share Rights Issue and first day for acceptance of and payment for the A Rights Shares	Thursday, June 15, 2023
Suspension of trading in the A Shares	Thursday, June 15, 2023 to Wednesday, June 21, 2023 (both days inclusive)
Close of the A Share Rights Issue and last day for payment for the A Rights Shares	Wednesday, June 21, 2023
Verification of payment for subscription for the A Rights Shares	Monday, June 26, 2023
Announcement of results of the A Share Rights Issue and resumption of trading in the A Shares	Tuesday, June 27, 2023

Conditions of the A Share Rights Issue

It is expected that the A Share Rights Issue will be conditional upon the fulfillment of the following matters:

1. the approval of the Rights Issue by the Shareholders at the EGM;
2. the approval of the Rights Issue at the A Share Class Meeting by A Shareholders and the H Share Class Meeting by H Shareholders, respectively;
3. the approval of the Rights Issue by the CSRC and other relevant regulatory authorities; and

4. the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Share Rights Issue.

None of the above conditions for completion of the A Share Rights Issue may be waived by the Bank. As at the date of this announcement, the conditions under 1 to 3 above have been fulfilled. **If any of the above conditions is not fulfilled, the A Share Rights Issue will not proceed.**

Pursuant to the Underwriting Agreement, the underwriting obligations of the Underwriter under the Underwriting Agreement are conditional upon, among other things, the A Share Rights Issue having become unconditional, including but not limited to, at least 70% of the A Rights Shares having been validly subscribed for at or prior to the date of the H Share Rights Issue Prospectus.

A Share Rights Issue to Proceed on a Non-Fully-Underwritten Basis

The A Share Rights Issue will proceed on a non-fully-underwritten basis as required under the applicable PRC laws and regulations. Under the applicable PRC laws and regulations and as classified by the CSRC, the A Share Rights Issue may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Share Rights Issue. The rights to subscribe for the A Shares which are not taken up will lapse and no new A Shares will be issued or allotted pursuant to such rights.

A Shareholders' Undertakings

Zhejiang Provincial Financial Holdings Co., Ltd., which directly held 2,655,443,774 A Shares, representing approximately 12.49% of the total issued share capital of the Bank, as at the date of this announcement, has irrevocably undertaken, among other things, to fully subscribe in cash for the A Rights Shares to be provisionally allotted to it under the A Share Rights Issue based on its shareholding in the Bank after the trading hours on the A Share Rights Issue Record Date on the basis of the A Share Rights Issue (i.e. three (3) A Rights Shares for every (10) existing A Shares) and the Subscription Price as prescribed in the A Share Rights Issue Prospectus.

Application for Listing

Application will be made to the SSE for the listing of the A Rights Shares.

A Share Rights Issue Prospectus

The Chinese version of the A Share Rights Issue Prospectus is available for public inspection on the website of SSE (www.sse.cn) and HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) from Monday, June 12, 2023.

The A Share Rights Issue Prospectus in respect of the A Share Rights Issue will be distributed to the HK Northbound Trading Investors. The A Share Rights Issue Prospectus (together with a wrapper containing the disclosures required under the Companies (Winding Up and Miscellaneous Provisions) Ordinance) was registered with the Companies Registry on Friday, June 9, 2023.

CHANGES OF THE SHAREHOLDING OF THE BANK AS A RESULT OF THE RIGHTS ISSUE

For illustrative purpose only, the following tables set out the Bank's shareholding structure as at the date of this announcement and certain possible shareholding structures upon completion of the Rights Issue (which are all subject to change and assuming no change in the issued share capital of the Bank between the date of this announcement and the Rights Issue Record Date) on the basis of the Rights Issue being conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares and assuming:

- (1) full subscription for H Rights Shares and A Rights Shares;

- (2) full subscription for H Rights Shares under the H Share Rights Issue by all Qualified H Shareholders and full subscription for A Rights Shares by all non-public A Shareholders, and the overall subscription level for A Rights Shares being 70%;
- (3) full subscription for A Rights Shares and none of the H Rights Shares is taken up by Qualified H Shareholders except for the H Rights Shares taken up by H Share Committed Shareholders pursuant to their Irrevocable Undertakings; and
- (4) the overall subscription level of the A Rights Shares is 70% (full subscription for A Rights Shares by all non-public A Shareholders) and none of the H Rights Shares is taken up by Qualified H Shareholders except for the H Rights Shares taken up by H Share Committed Shareholders pursuant to their Irrevocable Undertakings.

Table under assumption (1) (full subscription for H Rights Shares and A Rights Shares) (for illustrative purpose only):

Class of Shares	As at the date of announcement		Number of Shares to be issued under the Rights Issue	Immediately following completion of the Rights Issue	
	Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank		Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank
A Shares					
Non-public A Shareholders					
“Zhejiang Provincial Financial Holdings Co., Ltd.” ⁽¹⁾	2,655,443,774	12.49%	796,633,132	3,452,076,906	12.49%
“Directors, Supervisors and senior management of the Bank” ⁽²⁾	3,329,700	0.02%	998,910	4,328,610	0.02%
Public A Shareholders	14,055,923,304	66.08%	4,216,776,991	18,272,700,295	66.08%
Total Number of A Shares	16,714,696,778	78.59%	5,014,409,033	21,729,105,811	78.59%
H Shares					
Public H Shareholders					
“Zhejiang Seaport (Hong Kong) Co., Limited” ⁽³⁾	925,700,000	4.35%	277,710,000	1,203,410,000	4.35%
“Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.” ⁽³⁾	135,300,000	0.64%	40,590,000	175,890,000	0.64%
“Other Public H Shareholders”	3,493,000,000	16.42%	1,047,900,000	4,540,900,000	16.42%
Total Number of H Shares	4,554,000,000	21.41%	1,366,200,000	5,920,200,000	21.41%
Total	21,268,696,778	100.00%	6,380,609,033	27,649,305,811	100.00%

Table under assumption (2) (full subscription for H Rights Shares by all Qualified H Shareholders and full subscription for A Rights Shares by all non-public A Shareholders, and the overall subscription level for A Rights Shares being 70%) (for illustrative purpose only):

Class of Shares	As at the date of announcement		Number of Shares to be issued under the Rights Issue	Immediately following completion of the Rights Issue	
	Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank		Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank
A Shares					
Non-public A Shareholders					
“Zhejiang Provincial Financial Holdings Co., Ltd.” ⁽¹⁾	2,655,443,774	12.49%	796,633,132	3,452,076,906	13.20%
“Directors, Supervisors and senior management of the Bank” ⁽²⁾	3,329,700	0.02%	998,910	4,328,610	0.02%
Public A Shareholders	14,055,923,304	66.08%	2,712,454,281	16,768,377,585	64.14%
Total Number of A Shares	16,714,696,778	78.59%	3,510,086,323	20,224,783,101	77.36%
H Shares					
Public H Shareholders					
“Zhejiang Seaport (Hong Kong) Co., Limited” ⁽³⁾	925,700,000	4.35%	277,710,000	1,203,410,000	4.60%
“Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.” ⁽³⁾	135,300,000	0.64%	40,590,000	175,890,000	0.67%
“Other Public H Shareholders”	3,493,000,000	16.42%	1,047,900,000	4,540,900,000	17.37%
Total Number of H Shares	4,554,000,000	21.41%	1,366,200,000	5,920,200,000	22.64%
Total	21,268,696,778	100.00%	4,876,286,323	26,144,983,101	100.00%

Table under assumption (3) (full subscription for A Rights Shares and none of the H Rights Shares is taken up by Qualified H Shareholders except for the H Rights Shares taken up by H Share Committed Shareholders pursuant to their Irrevocable Undertakings):

Class of Shares	As at the date of announcement		Number of Shares to be issued under the Rights Issue	Immediately following completion of the Rights Issue	
	Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank		Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank
A Shares					
Non-public A Shareholders					
“Zhejiang Provincial Financial Holdings Co., Ltd.” ⁽¹⁾	2,655,443,774	12.49%	796,633,132	3,452,076,906	12.49%
“Directors, Supervisors and senior management of the Bank” ⁽²⁾	3,329,700	0.02%	998,910	4,328,610	0.02%
Public A Shareholders	14,055,923,304	66.08%	4,216,776,991	18,272,700,295	66.08%
Total Number of A Shares	16,714,696,778	78.59%	5,014,409,033	21,729,105,811	78.59%
H Shares					
Public H Shareholders					
“Zhejiang Seaport (Hong Kong) Co., Limited” ⁽³⁾	925,700,000	4.35%	277,710,000	1,203,410,000	4.35%
“Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.” ⁽³⁾	135,300,000	0.64%	40,590,000	175,890,000	0.64%
“Underwriter” ⁽⁴⁾	0	0.00%	1,047,900,000	1,047,900,000	3.79%
“Other Public H Shareholders”	3,493,000,000	16.42%	0	3,493,000,000	12.63%
Total Number of H Shares	4,554,000,000	21.41%	1,366,200,000	5,920,200,000	21.41%
Total	21,268,696,778	100.00%	6,380,609,033	27,649,305,811	100.00%

Table under assumption (4) (the overall subscription level of the A Rights Shares is 70% (full subscription for A Rights Shares by all non-public A Shareholders) and none of the H Rights Shares is taken up by Qualified H Shareholders except for the H Rights Shares taken up by H Share Committed Shareholders pursuant to their Irrevocable Undertakings):

Class of Shares	As at the date of announcement		Number of Shares to be issued under the Rights Issue	Immediately following completion of the Rights Issue	
	Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank		Number of Shares	Approximately Percentage of the total number of issued Shares of the Bank
A Shares					
Non-public A Shareholders					
“Zhejiang Provincial Financial Holdings Co., Ltd.” ⁽¹⁾	2,655,443,774	12.49%	796,633,132	3,452,076,906	13.20%
“Directors, Supervisors and senior management of the Bank” ⁽²⁾	3,329,700	0.02%	998,910	4,328,610	0.02%
Public A Shareholders	14,055,923,304	66.08%	2,712,454,281	16,768,377,585	64.14%
Total Number of A Shares	16,714,696,778	78.59%	3,510,086,323	20,224,783,101	77.36%
H Shares					
Public H Shareholders					
“Zhejiang Seaport (Hong Kong) Co., Limited” ⁽³⁾	925,700,000	4.35%	277,710,000	1,203,410,000	4.60%
“Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.” ⁽³⁾	135,300,000	0.64%	40,590,000	175,890,000	0.67%
“Underwriter” ⁽⁴⁾	0	0.00%	1,047,900,000	1,047,900,000	4.01%
“Other Public H Shareholders”	3,493,000,000	16.42%	0	3,493,000,000	13.36%
Total Number of H Shares	4,554,000,000	21.41%	1,366,200,000	5,920,200,000	22.64%
Total	21,268,696,778	100.00%	4,876,286,323	26,144,983,101	100.00%

Notes:

1. As at the date of this announcement, Zhejiang Provincial Financial Holdings Co., Ltd. directly held 2,655,443,774 A Shares of the Bank, representing approximately 12.49% of the total issued share capital of the Bank.
2. As at the date of this announcement, Directors, Supervisors and senior management of the Bank directly held 3,289,700 A Shares of the Bank, representing approximately 0.02% of the total issued share capital of the Bank.
3. As at the date of this announcement, the H Share Committed Shareholders, namely Zhejiang Seaport (Hong Kong) Co., Limited and Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd., held 925,700,000 H Shares and 135,300,000 H Shares, representing approximately 4.35% and 0.64% of the total issued share capital of the Bank, respectively.
4. Pursuant to the Underwriter's underwriting obligations under the Underwriting Agreement.

Based on publicly available information, as of the date of this announcement, the public float percentage of the Bank was in compliance with Rule 8.08 of the Hong Kong Listing Rules. Upon completion of the Rights Issue, the public float percentage of the Bank will continue to comply with the requirements under Rule 8.08 of the Hong Kong Listing Rules.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF EQUITY SECURITIES IN THE PAST 12 MONTHS

The Bank has not engaged in any equity fund raising activity in the 12 months immediately before the date of this announcement.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

Reasons for the Rights Issue of the Bank are as follows:

1. Better Meeting the Capital Supervision Requirements and Enhancing the Capability of Risk Resilience

In recent years, the China Banking and Insurance Regulatory Commission has been continuously tightening the capital supervision of commercial banks. The Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) (《商業銀行資本管理辦法(試行)》) issued by the former China Banking Regulatory Commission in 2012 imposed strict and prudent regulations on the qualification standards and measurement requirements of various types of capital. Since 2016, the People's Bank of China has been implementing a “macro and discreet assessment system” to guide financial institutions of the banking industry to strengthen self-restrain and self-discipline management from seven aspects including capital and leverage, assets and liabilities, liquidity, pricing behavior, asset quality, cross-border financing risks and credit policy implementation. As at December 31, 2022, the Bank's consolidated capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 11.60%, 9.54% and 8.05%, respectively.

In order to better meet regulatory requirements and enhance the capacity of risk resilience, it is necessary for the Bank to further increase the core tier-one capital adequacy ratio through Rights Issue, leave space for the possible increase of regulatory requirements and ensure the implementation of the long-term strategic development target of the Bank, while satisfying the needs of future business development.

2. Supporting the Steady Business Development of the Bank and Better Serving the Real Economy

With the steady development of the national economy and the acceleration of financial market reforms, the operating environment of banks is undergoing a profound change. At the same time, the domestic economy is in the stage of industrial restructuring. To support the transformation and upgrading of the real economy, the domestic banks need to maintain a stable and reasonable growth in the scale of credit grants. However, the increase in the risk-weighted assets will cause the Bank to continue facing capital pressures as its business develops. As at the end of 2022, the total assets of the Bank is RMB2,621,930 million, representing an increase of 14.66% from the end of 2021; the total amount of loan and advances issued was RMB1,525,030 million, representing an increase of 13.20% from the end of 2021, showing a steady growth trend.

To maintain a healthy and rapid development trend and effectively respond to the rapid changes and challenges of the industry environment, the Bank needs to replenish the capital required for business development, realize steady operation and better serve the real economy through Rights Issue.

In summary, the Rights Issue will effectively replenish the Bank's core tier-one capital, which is of great significance to the Bank in meeting increasingly stringent capital regulatory requirements, supporting the sustainable and healthy development of its business, and further serving the real economy.

After deducting relevant issuance fees, the net proceeds raised from the Rights Issue will entirely be applied for the replenishment of the Bank's core tier-one capital, to enhance the Bank's capital adequacy ratio, support the sustainable and healthy development of the Bank's business in the future as well as strengthen the Bank's capital strength and overall competitiveness.

DEFINITIONS

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

“2021 First A Share Class Meeting” or “A Share Class Meeting”	the 2021 first A share class meeting held on Tuesday, November 23, 2021 at which, among others, the Rights Issue and related matters were considered and approved
“2021 First H Share Class Meeting” or “H Share Class Meeting”	the 2021 first H share class meeting held on Tuesday, November 23, 2021 at which, among others, the Rights Issue and related matters were considered and approved
“2021 Third EGM” or “EGM”	the 2021 third extraordinary general meeting of the Bank held on Tuesday, November 23, 2021 at which, among others, the Rights Issue and related matters were considered and approved
“2022 First A Share Class Meeting”	the 2022 first A share class meeting held on Monday, November 21, 2022 at which, among others, the resolutions on the proposed extension of validity period for the Rights Issue and the proposed extension of validity period of the authorization to the Board and its authorized person(s) to deal with matters related to the Rights Issue were considered and approved
“2022 First H Share Class Meeting”	the 2022 first H share class meeting held on Monday, November 21, 2022 at which, among others, the resolutions on the proposed extension of validity period for the Rights Issue and the proposed extension of validity period of the authorization to the Board and its authorized person(s) to deal with matters related to the Rights Issue were considered and approved

“2022 Second EGM”	the 2022 second extraordinary general meeting of the Bank held on Monday, November 21, 2022 at which, among others, the resolutions on the proposed extension of validity period for the Rights Issue and the proposed extension of validity period of the authorization to the Board and its authorized person(s) to deal with matters related to the Rights Issue were considered and approved
“A Rights Share(s)”	the new A Share(s) proposed to be placed and issued to the Qualified A Shareholders pursuant to the A Share Rights Issue
“A Share Rights Issue”	the proposed issue of 5,014,409,033 A Rights Shares at the Subscription Price on the basis of up to three (3) A Rights Shares for every ten (10) existing A Shares held on the A Share Rights Issue Record Date
“A Share Rights Issue Prospectus”	the prospectus, which is in Chinese, containing the details of the A Share Rights Issue which is to be published by the Bank on the website of the SSE (www.sse.cn), the website of the Bank (www.czbank.com) and the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk) on Monday, June 12, 2023
“A Share Rights Issue Record Date”	Wednesday, June 14, 2023, or such other date determined by the Board or its authorized person(s) by reference to which entitlements of the A Share Rights Issue are to be determined
“A Share(s)”	the Bank’s ordinary share(s) of RMB1.00 each, which are listed on the Shanghai Stock Exchange (stock code: 601916) and traded in RMB
“A Shareholder(s)”	holder(s) of A Shares
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Bank”	China Zheshang Bank Co., Ltd. (浙商银行股份有限公司), and its branches
“Beneficial H Shareholder(s)”	any beneficial owner(s) of H Shares whose H Shares are registered in the name of a registered H Shareholder as shown in the H-share register
“Board”	the board of Directors of the Bank
“Business Day(s)”	any day other than Saturday, Sunday or public holiday(s) on which commercial banks and financial institutions in Hong Kong are generally open for normal business to the public

“CBIRC”	China Banking and Insurance Regulatory Commission (currently known as the National Administration of Financial Regulation)
“CBRC”	the former China Banking Regulatory Commission
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSDCC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission
“CSRC Announcement”	the announcement of the CSRC Filing Requirements for Hong Kong Listed Issuers Making Rights Issue to Mainland Shareholders through Mainland-Hong Kong Stock Connect (CSRC Announcement [2016] No. 21)
“Director(s)”	the director(s) of the Bank
“Excess Application Form(s)”	application form(s) for excess H Rights Shares
“Excluded H Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on relevant opinions provided by legal advisers, considers it necessary or expedient to exclude any such Overseas Shareholder(s) from participating in the H Share Rights Issue on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	China Zheshang Bank Co., Ltd. and its subsidiaries
“H Rights Share(s)”	the new H Share(s) proposed to be placed and issued to the Qualified H Shareholders pursuant to the H Share Rights Issue
“H Share Registrar”	Computershare Hong Kong Investor Services Limited

“H Share Rights Issue”	the proposed issue of 1,366,200,000 H Rights Shares at the Subscription Price on the basis of up to three (3) H Rights Shares for every ten (10) existing H Shares held on the H Share Rights Issue Record Date
“H Share Rights Issue Prospectus”	the rights issue prospectus in relation to the H Share Rights Issue to be issued by the Bank and despatched to the H Shareholders, which contains further details of the H Share Rights Issue
“H Share Rights Issue Record Date”	Tuesday, July 4, 2023, or such other date determined by the Board or its authorized person(s) by reference to which entitlements of the H Share Rights Issue are to be determined
“H Share Committed Shareholders”	Zhejiang Seaport (Hong Kong) Co., Limited and Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Bank, which are listed on the Hong Kong Stock Exchange (stock code: 2016) and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“HK Northbound Trading Investors”	the Hong Kong investors who hold the shares of PRC listed companies through HKSCC as nominee under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect
“HK\$” or “Hong Kong dollars”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise revised from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H-share register”	the H-share register of the Bank
“Irrevocable Undertakings”	the irrevocable undertakings given by the H Share Committed Shareholders dated June 9, 2023, pursuant to which the H Share Committed Shareholders have irrevocably undertaken to, among other things, accept and subscribe for the H Rights Shares provisionally allotted to them under the H Share Rights Issue based on their shareholdings in the Bank on the H Share Rights Issue Record Date.

“Latest Acceptance Date”	Wednesday, July 19, 2023 or such later date as the Bank and the Underwriter may agree in writing
“Latest Time for Termination”	5:00 p.m. on Thursday, July 20, 2023
“Listing Approval”	the approval by the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Rights Shares (in their nil-paid and fully-paid forms) on the Main Board of the Hong Kong Stock Exchange
“Nil-paid H Rights”	the rights to subscribe for H Rights Shares (in the form of nil-paid H Rights Shares) before the Subscription Price is paid
“Overseas Shareholder(s)”	(i) H Shareholder(s) whose name(s) appear(s) on the H-share register on the H Share Rights Issue Record Date and whose registered address(es) is/are in a place outside Hong Kong; and (ii) Beneficial H Shareholder(s) whose registered address(es) is/are in a place outside Hong Kong
“Offer Documents”	any of this announcement, the Prospectus Documents, any other documents or material relating to the H Share Rights Issue or the application for Listing Approval (or any amendment or supplement to any of them, and in each case whether or not approved by the Underwriter)
“PRC Southbound Trading Investors”	PRC investors (including enterprises and individuals) who hold the shares of Hong Kong listed companies through CSDCC as nominee under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Price Determination Date”	June 9, 2023, the date on which the Subscription Price was fixed for the purpose of the Rights Issue
“Prospectus Documents”	the prospectus, the Provisional Allotment Letter(s) and the Excess Application Form(s)
“Provisional Allotment Letter(s)”	provisional allotment letter(s) for the H Rights Shares
“Qualified A Shareholder(s)”	A Shareholder(s) whose name(s) appear(s) on the register of members of the Bank at the Shanghai branch of CSDCC after the close of trading on the A Share Rights Issue Record Date
“Qualified H Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the H-share register on the H Share Rights Issue Record Date (not being Excluded H Shareholders)

“Rights Issue”	A Share Rights Issue and/or H Share Rights Issue
“Rights Issue Record Date(s)”	A Share Rights Issue Record Date and/or H Share Rights Issue Record Date
“Rights Share(s)”	A Rights Share(s) and/or H Rights Share(s)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the SSE, HKSCC and CSDCC for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	A Share(s) and/or H Share(s) of the Bank
“Shareholder(s)”	holder(s) of Shares
“Shenzhen-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shenzhen Stock Exchange, HKSCC Nominees Limited and CSDCC for the establishment of mutual market access between Hong Kong and Shenzhen
“Sole Global Coordinator”	CLSA Limited
"Southbound Trading"	the southbound trading under the Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect
“SSE”	Shanghai Stock Exchange
“Subscription Price(s)”	the Subscription Price of HK\$2.23 per H Rights Share and/or the Subscription Price of RMB2.02 per A Rights Share (as the case may be)
“Supervisor(s)”	the supervisor(s) of the Bank
“Underwriter”	CLSA Limited
“Underwriting Agreement”	the underwriting agreement dated June 11, 2023 entered into between the Bank and the Underwriter in relation to the H Share Rights Issue

“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“%”	per cent.

Unless otherwise specified in this announcement, the exchange rate adopted in this announcement for illustration only is HK\$1 to RMB0.90678. No representation is made that any amounts in RMB could have been or could be converted at that rate or at any other rates.

By order of the Board
China Zheshang Bank Co., Ltd.
Zhang Rongsen
*Executive Director,
President of the Bank*

Hangzhou, the PRC
June 11, 2023

As at the date of this announcement, the executive directors of the Bank are Mr. Zhang Rongsen, Ms. Ma Hong and Mr. Chen Haiqiang; the non-executive directors are Mr. Hou Xingchuan, Mr. Ren Zhixiang, Ms. Gao Qinhong, Mr. Hu Tiangao and Mr. Zhu Weiming; the independent non-executive directors are Mr. Zheng Jindu, Mr. Zhou Zhifang, Mr. Wang Guocai, Mr. Wang Wei, Mr. Xu Yongbin and Mr. Fu Tingmei.