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**CHINA ZHESHANG BANK CO., LTD.**

**浙商银行股份有限公司**

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

**(Stock Code: 2016)**

**(Stock Code of Preference Shares: 4610)**

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

This announcement is made by China Zheshang Bank Co., Ltd. (the “**Bank**”) pursuant to Rule 13.09(2) 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 (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Bank dated March 10, 2017, the circular dated April 13, 2017, the announcement dated November 9, 2017, the announcement dated November 10, 2017, the announcement dated March 26, 2018, the announcement dated April 3, 2018, the announcement dated April 25, 2018, the circular dated May 11, 2018, the announcement dated March 18, 2019, the circular dated April 11, 2019, the announcement dated August 29, 2019 and the announcement dated October 11, 2019 in relation to the A Share Offering and other related matters. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the above-mentioned announcements and circulars.

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

As disclosed in the announcement of the Bank dated October 11, 2019, the Bank has received an official written notification from the CSRC on October 11, 2019 that the A Share Offering has been approved. As required by the applicable PRC laws and regulations, the Bank and the joint lead underwriters of the A Share Offering will conduct preliminary price consultations in the PRC among qualified participants who meet the requirements of the PRC laws and regulations on October 18, 2019 (from 9:30 a.m. to 15:00 p.m.) to determine the issue price. The Bank will make further announcement(s) once the final issue size and issue price of the A Share Offering have been determined.

## II. PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the prospectus in relation to the A Share Offering (the “**A Share Prospectus**”), a summary of the A Share Prospectus and the relevant appendices in Chinese only were published by the Bank on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.czbank.com) on October 15, 2019. The summary of the A Share Prospectus was also published on various PRC newspapers including China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on October 15, 2019.

### The summary of the principal provisions of the A Share Prospectus:

#### 1. Summary of the A Share Offering

Class of shares:	Ordinary shares in RMB (A shares)
Nominal value per share:	RMB1.00
Number of shares to be issued:	No more than 2,550,000,000 A Shares (representing no more than 11.99% of the total share capital after the A Share Offering). The specific number of shares to be issued will be determined by the Board with the authorization granted by the general meeting, according to the Bank’s capital needs, the Bank’s communication with the regulatory authorities and the market conditions at the time of issuance, etc.
Issue price per share:	RMB[    ]
Price-to-earnings (P/E) ratio of the A Share Offering (calculated by dividing the issue price per share by earnings per share, and earnings per share is calculated by dividing the Bank’s audited net profit attributable to the holders of ordinary shares of the Bank before or after the deduction of non-recurring gains and losses, whichever is lower, by the total share capital after the A share Offering):	[    ] times
Net asset value per share before the A Share Offering (calculated by dividing the Bank’s audited equity attributable to the holders of ordinary shares of the parent after the deduction of other equity instruments as at June 30, 2019 by the total share capital before the A Share Offering):	RMB4.94

Net asset value per share after the A Share Offering (calculated by dividing the Bank's audited equity attributable to the holders of ordinary shares of the parent after the deduction of other equity instruments as at June 30, 2019 and the net proceeds raised from the A Share Offering by the total share capital after the A Share Offering):	RMB[    ]
Price-to-book (P/B) ratio of the A Share Offering (based on net asset value per share after the A Share Offering):	[    ] times
Method of offering:	A combination of offline book-building and placing to qualified investors and online offering to the public investors who hold non-restricted A shares in Shanghai Stock Exchange and non-restricted depository receipt market value at a fixed price, or through any other methods of offering as permitted by the CSRC
Target subscribers of offering:	The qualified individuals and institutional investors (excluding those whose subscriptions are prohibited by the relevant PRC laws and regulations). If any of the above target subscribers of the A Share Offering is a connected person of the Bank, the Bank will take all reasonable measures to comply with the relevant listing rule requirements of the jurisdictions in which the shares are listed (if applicable)
Method of underwriting:	The A Share Offering is underwritten by an underwriting syndicate led by the lead underwriter(s) on a standby commitment basis
Estimated gross and net proceeds raised:	The estimated gross proceeds raised in the A Share Offering are RMB[    ]; and after deduction of offering expenses, the estimated net proceeds raised in the A Share Offering are RMB[    ] (The gross proceeds raised will be determined by the actual number of shares issued and the issue price per share, and the issue price per share will be determined by the price consultation results)

Estimated offering expenses:

The expenses occurred in connection with the A Share Offering are RMB[ ], among which underwriting and sponsor fees are determined by the actual gross proceeds raised multiplying 1.2% (including taxes); legal expenses are RMB2.5 million; auditing fees and capital verification fees are RMB2.9057 million; information disclosure expenses in relation to the A Share Offering are RMB5.0 million; other expenses including listing handling fees are RMB2.9335 million; and stamp duty shall be determined based on 0.025% of the actual amount of the net proceeds raised (except for underwriting and sponsor fees, the related value added taxes are not included in the expenses above)

The stock exchange of the proposed application for listing: Shanghai Stock Exchange

## **2. Use of proceeds**

Approved by the 2016 annual general meeting, 2017 first class meeting for domestic shareholders and 2017 first class meeting for H shareholders of the Bank held on Wednesday, May 31, 2017, all of the proceeds raised by the A Shares Offering of the Bank, after deducting the offering expenses, will be used to replenish the Core Tier I capital of the Bank to enhance its capital adequacy ratio. As for the details of use of proceeds, please refer to the circular of the Bank dated April 13, 2017.

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

As at the signing date of the A Share Prospectus of the Bank, the Bank's share capital comprised a total of 18,718,696,778 shares before the A Share Offering, including 14,164,696,778 domestic shares and 4,554,000,000 H shares. Assuming 2,550,000,000 A shares is to be issued in the A Share Offering, representing 11.99% of the total share capital after the A Share Offering, the total share capital after the A Share Offering is 21,268,696,778 shares. The shareholding structure of the Bank before and after the A Share Offering is as follows:

Shareholders	Before the A Share Offering		After the A Share Offering	
	Number of shares held (Share)	Percentage of shareholding (%)	Number of shares held (Share)	Percentage of shareholding (%)
1. Existing domestic shareholders	14,164,696,778	75.67	14,164,696,778	66.60
Of which:				
Zhejiang Provincial Financial Holdings Co., Ltd.	2,655,443,774	14.19	2,655,443,774	12.49
Other domestic Shareholders	11,509,253,004	61.49	11,509,253,004	54.11
2. A shareholders subscribed for the shares issued in the A Share Offering	–	–	2,550,000,000	11.99
3. Shareholders of overseas-listed foreign shares (H shares)	4,554,000,000	24.33	4,554,000,000	21.41
<b>Total</b>	<b>18,718,696,778</b>	<b>100.00</b>	<b>21,268,696,778</b>	<b>100.00</b>

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

The Bank will keep the Shareholders and potential investors informed of any further development in relation to the A Share Offering in accordance with the Listing Rules and applicable laws and regulations.

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

By order of the Board  
**China Zheshang Bank Co., Ltd.**  
**Shen Renkang**  
*Chairman*

Hangzhou, the PRC  
October 15, 2019

*As at the date of this announcement, the executive directors of the Bank are Mr. Shen Renkang, Mr. Xu Renyan and Ms. Zhang Luyun; the non-executive directors are Mr. Huang Zhiming, Mr. Wei Dongliang, Ms. Gao Qinhong, Mr. Hu Tiangao, Mr. Zhu Weiming, Ms. Lou Ting and Mr. Xia Yongchao; the independent non-executive directors are Mr. Tong Benli, Mr. Yuan Fang, Mr. Dai Deming, Mr. Liu Pak Wai, Mr. Zheng Jindu, Mr. Zhou Zhifang and Mr. Wang Guocai.*