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CZBANK  **浙商银行**

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)

**PROPOSED ISSUANCE OF A SHARES AND
H SHARES BY WAY OF RIGHTS ISSUE**

The Board is pleased to announce that, the Board proposes to seek for the approval of the Rights Issue and the relevant authorizations regarding the Rights Issue by the Shareholders, of which, the Rights Issue will comprise the issuance of both the A Rights Shares and the H Rights Shares. The Rights Issue is subject to, among others, the approval by the Shareholders at the General Meeting, the approval by the A Shareholders at the A Share Class Meeting and the approval by the H Shareholders at the H Share Class Meeting, respectively.

For the Rights Issue, it is proposed to be allotted to all Shareholders on the basis of up to three (3) Rights Shares for every ten (10) existing Shares. The portion of both the A Share Rights Issue and the H Share Rights Issue are the same. A Share Rights Issue will proceed on a best effort basis and H Shares Rights Issue will be fully underwritten pursuant to Rule 7.19(1) of the Hong Kong Listing Rules. The Rights Issue Price is determined by using market discount method based on the trading conditions of A Shares and the H Shares in the market prior to the publication of the issuance announcement. The final Rights Issue Price will be determined through the negotiation between those parties authorized by the Board and the sponsor institution(s) (underwriter(s)) with reference to the market conditions before the issuance.

On the basis of 21,268,696,778 Shares in issue of the Bank as at the date of this announcement (comprising 16,714,696,778 A Shares and 4,554,000,000 H Shares), and assuming that there will be no change in the issued share capital of the Bank between the date of this announcement and the Record Date, the Bank expects to allot and issue, on the assumption of up to three (3) Rights Shares for every ten (10) existing Shares, no more than 6,380,609,033 Rights Shares (comprising no more than 5,014,409,033 A Rights Shares and no more than 1,366,200,000 H Rights Shares) in total.

Total proceeds raised from the Rights Issue will be no more than RMB18.0 billion (inclusive). Net proceeds from the Rights Issue after deduction of relevant issuance fees will entirely be applied for the replenishment of the Bank's core tier-one capital, to increase 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 comprehensive competitiveness.

The Bank will despatch a circular containing the notices for convening the General Meeting and the H Share Class Meeting to the H Shareholders as soon as practicable pursuant to the relevant requirements of the Articles of Association.

Prior to the commencement of the H Share Rights Issue, the Bank will make a further announcement and issue the H Share Rights Issue Prospectus, which will contain all relevant details of Rights Issue, including the definitive basis on which the Rights Shares are to be issued, the maximum number of Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the H Share Rights Issue Record Date, the trading arrangements for the H Rights Shares, the arrangements for the excess H Rights Shares, the underwriting arrangements and the expected timetable of the Rights Issue.

This announcement is made pursuant to the general disclosure requirements under Rule 13.09(1) of the Hong Kong Listing Rules.

As the Rights Issue is subject to, among other things, the approval by the Shareholders at the General Meeting, the approval by the A Shareholders at the A Share Class Meeting and the approval by the H Shareholders at the H Share Class Meeting, the Rights Issue may or may not materialize. The H Share Rights Issue is conditional upon the fulfilment of the conditions set out in the section headed "Conditions of the H Share Rights Issue". If the conditions are not fulfilled, the H Share Rights Issue will not proceed. Shareholders and investors are advised to exercise caution when dealing in the H Shares.

INTRODUCTION

The Board is pleased to announce that, the Board proposes to seek for the approval of the Rights Issue and the relevant authorizations regarding the Rights Issue by Shareholders, of which, the Rights Issue will comprise the issuance of both the A Rights Shares and the H Rights Shares. Net proceeds from the Rights Issue will entirely be applied for the replenishment of the Bank's core tier-one capital, to increase 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 comprehensive competitiveness.

H Share Rights Issue will be conditional upon, among other matters, the fulfilment of the following matters (details of which could be referred to the section headed "Conditions of the H Share Rights Issue" below):

- (i) the approval by the Shareholders at the General Meeting, the A Share Class Meeting and the H Share Class Meeting by the way of special resolution in accordance with the relevant requirements of the Articles of Association; and
- (ii) the approval by the CSRC and other relevant regulatory authorities.

DETAILS OF THE RIGHTS ISSUE PROPOSAL

The Rights Issue proposal will comprise the issuance of A Rights Shares to A Shareholders and the issuance of H Rights Shares to H Shareholders, respectively, on the preliminary terms set out below, which are subject to, among other things, the implementation of the Rights Issue proposal and the actual market conditions.

Class and Nominal Value of Rights Shares : A Shares and H Shares, each with a nominal value of RMB1.00 per Share.

Base, Proportion and Number of the Rights Issue : The A Share Rights Issue is proposed to be based on the total number of A Shares after the trading hours on the A Share Rights Issue Record Date, and the allotment will be made to all A Shareholders for Rights Issue on the basis of up to three (3) Rights Shares for every ten (10) A Shares. The H Share Rights Issue is proposed to be based on the total number of H Shares on the H Share Rights Issue Record Date, and the allotment will be made to all H Shareholders for Rights Issue on the basis of up to three (3) Rights Shares for every ten (10) H Shares, with fractions of less than one (1) Rights Share to be dealt with according to the relevant requirements of the stock exchanges and securities registration and settlement institutions of the places where the securities are traded at. The subscription portion of both A Shares and H Shares are the same.

If, based on the Bank's total share capital of 21,268,696,778 Shares as at the date of this announcement, and assuming there will be no change in the issued share capital of the Bank between the date of this announcement and the Record Date, the number of Rights Shares is expected to allot and issue not more than 6,380,609,033 Shares, among which, the number of A Rights Shares would not more than 5,014,409,033 Shares and the number of H Rights Shares would not more than 1,366,200,000 Shares. In the event that the total share capital of the Bank changes due to any bonus issue, capital conversion from capital reserve and other reasons before the Rights Issue, the number of Rights Shares will be adjusted accordingly based on the total share capital after the change.

Underwriting Method : A Share Rights Issue will proceed on a best effort basis and H Shares Rights Issue will be fully underwritten pursuant to Rule 7.19(1) of the Hong Kong Listing Rules.

- Rights Issue Price** : The Rights Issue Price is determined by using market discount method based on the trading conditions of A Shares and H Shares in the market prior to the publication of the issuance announcement. The final Rights Issue Price will be determined through the negotiation between those parties authorized by the Board and the sponsor institution(s) (underwriter(s)) with reference to the market conditions before the issuance. The Rights Issue Prices of A Shares and H Shares shall be consistent after exchange rate adjustments.
- Target Subscribers for the Rights Issue** : In the Rights Issue, the target A Share subscribers for the Rights Issue will be all A Shareholders, who registered with the Shanghai branch of China Securities Depository and Clearing Corporation Limited after the trading hours on the A Share Rights Issue Record Date, and the target H Share subscribers for the Rights Issue will be all H Shareholders determined on the H Share Rights Issue Record Date. The Record Date of the Rights Issue will be otherwise determined after the approval of the proposal for Rights Issue by the CSRC.
- Distribution Plan for Accumulated Undistributed Profits Prior to the Rights Issue** : The accumulated undistributed profits of the Bank prior to the completion of the Rights Issue shall be shared by all Shareholders on a pro-rata basis of their shareholding after the completion of the Rights Issue.
- Use of Proceeds** : The proceeds raised from the Rights Issue will not exceed RMB18.0 billion (inclusive).
- 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 increase 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 comprehensive competitiveness.
- Validity Period of the Resolution** : The effective period of the resolution on the Rights Issue shall be 12 months starting from the date on which the resolution is approved by the Bank's General Meeting, the A Share Class Meeting and the H Share Class Meeting.
- Shareholders' Approval** : The Rights Issue is subject to, among others, the approval by the Shareholders at the General Meeting, the approval by the A Shareholders at the A Share Class Meeting and the approval by the H Shareholders at the H Share Class Meeting, respectively.

Qualified H Shareholders

Subject to, among others, approval by the Shareholders at the relevant general meetings, the Bank will send the H Share Rights Issue Prospectus to the Qualified H Shareholders, including the PRC Southbound Trading Investors (and to the extent permitted by the relevant laws, to the Excluded Shareholders for information purposes only). To qualify for the H Share Rights Issue, a Shareholder must:

- (i) be registered as a H Shareholder of the Bank on the H Share Rights Issue Record Date; and
- (ii) not be an Excluded Shareholder.

Before the commencement of the H Share Rights Issue, the Bank will announce the date by which the H Shareholders must lodge any transfer documents in relation to the existing H Shares (together with the relevant H Share certificates) with the H Share Registrar, in order for the transferee to become a H Shareholder of the Bank on or before the H Share Rights Issue Record Date.

The PRC Southbound Trading Investors will not be excluded from participation in the H Share Rights Issue.

H Share Rights Issue Record Date

The H Share Rights Issue Record Date and the trading arrangements for the nil-paid H Rights Shares will be determined by the Board and once so determined, a further announcement will be made by the Bank. The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the section headed “Conditions of the H Share Rights Issue” in this announcement. The H Share Rights Issue Record Date will not precede the date of the General Meeting, the A Share Class Meeting and the H Share Class Meeting or the date on which relevant PRC governmental and regulatory approvals in relation to the Rights Issue are granted to the Bank.

Trading of the H Rights Shares

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the H Share Registrar will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Bank regarding the trading arrangements for the H Rights Shares (in nil-paid and fully-paid forms) after such arrangements have been finalized by the Board.

Status of the H Rights Shares

The H Rights Shares, when allotted 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.

Rights of Overseas Shareholders

The H Share Rights Issue Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Bank will make enquiries regarding the feasibility of extending the H Share Rights Issue to the Overseas Shareholders. If, based on the advice received from the relevant legal advisers, the Board considers that it is necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (who are thus Excluded Shareholders) 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, the H Share Rights Issue will not be made available to the Excluded Shareholders.

The Bank will send copies of the H Share Rights Issue Prospectus to the Excluded Shareholders for their information only, but the Bank will not send any provisional allotment letters or excess application forms to the Excluded Shareholders.

Application for Excess H Rights Shares

Qualified H Shareholders of the Bank (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for any H Rights Shares to which unsold entitlements of the Excluded Shareholders relate and for any H Rights Shares provisionally allotted to the Qualified H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be despatched to the Qualified H Shareholders together with the H Share Rights Issue Prospectus and lodging the same with a separate remittance for such excess H Rights Shares. The Board will allocate the excess H Rights Shares at its discretion on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots. The remaining excess H Rights Shares (if preference will be given) or all excess H Rights Shares (if no preference will be given) 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.

Conditions of the H Share Rights Issue

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

- (i) the approval of the Rights Issue by the Shareholders at the General Meeting;
- (ii) the approval of the Rights Issue at the H Share Class Meeting and the A Share Class Meeting, respectively;
- (iii) the approval of the Rights Issue by the CSRC and other relevant regulatory authorities;
- (iv) 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
- (v) 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 to 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 or has been satisfied as of the date of this announcement. If the conditions are not fulfilled, the H Share Rights Issue will not proceed.

Conditions of the A Share Rights Issue

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

- (i) the approval of the Rights Issue by the Shareholders at the General Meeting;
- (ii) the approval of the Rights Issue at the A Share Class Meeting and the H Share Class Meeting, respectively;
- (iii) the approval of the Rights Issue by the CSRC and other relevant regulatory authorities; and
- (iv) 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 or has been satisfied as of the date of this announcement. If the conditions are not fulfilled, the A Share Rights Issue will not proceed.

CHANGE IN REGISTERED CAPITAL AND THE CORRESPONDING AMENDMENTS TO RELEVANT CLAUSES IN THE ARTICLES OF ASSOCIATION

Upon the completion of the Rights Issue, the Bank shall correspondingly adjust its registered capital and the relevant clauses of the Articles of Association. For such regard, the Board proposes to seek for the approval from Shareholders that, upon the completion of the Rights Issue, the Bank's registered capital shall be adjusted in accordance with the issuance results of the Rights Issue and the approval by the regulatory authorities of the banking industry in China. Based on the issuance results of the Rights Issue and the adjustment of the Bank's registered capital, the clause related to the registered capital (Article 5 of the Articles of Association) and the clause related to the total number of shares and shareholding structure (Article 23 of the Articles of Association) in the Articles of Association shall be amended accordingly. Details of such amendments will be provided to the Shareholders in a further announcement in relation to the Rights Issue to be issued by the Bank in due course.

The above change in registered capital and the corresponding amendments to relevant clauses in the Articles of Association are subject to the approval by Shareholders at the General Meeting, the approval by A Shareholders at the A Share Class Meeting and the approval by H Shareholders at the H Share Class Meeting, respectively.

UNDERWRITING

The Bank intends to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Hong Kong Listing Rules and such underwriting will be conducted in accordance with the requirements of the Hong Kong Listing Rules. Details of the underwriting arrangement in relation to the Rights Issue will be provided to the Shareholders in a further announcement on the Rights Issue to be issued by the Bank in due course. The A Share Rights Issue will however proceed on a best effort 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.

FURTHER ANNOUNCEMENT IN RELATION TO THE H SHARE RIGHTS ISSUE AND ISSUANCE OF H SHARE RIGHTS ISSUE PROSPECTUS

Prior to the commencement of the H Share Rights Issue, the Bank will make a further announcement and issue the H Share Rights Issue Prospectus, which will contain all relevant details of the Rights Issue, including the definitive basis on which the Rights Shares are to be issued, the maximum number of the Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the H Share Rights Issue Record Date, the trading arrangements for H Rights Shares, the arrangements for the excess H Rights Shares, the underwriting arrangements and the expected timetable of the Rights Issue.

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 30 June, 2021, the Bank's consolidated capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 12.42%, 9.46% and 8.37%, 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 June 2021, the total assets of the Bank is RMB2,154,397 million, representing an increase of 5.18% from the end of 2020; the total amount of loan and advances issued was RMB1,272,137 million, representing an increase of 6.22% from the end of 2020, 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.

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 increase 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 comprehensive competitiveness.

SHAREHOLDING STRUCTURE OF THE BANK

For illustrative purpose, the following table sets out the Bank's current shareholding structure and the proposed shareholding structure upon the completion of the Rights Issue, assuming the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares and the Rights Shares are fully subscribed, and no change in the issued share capital of the Bank between the date of this announcement and the Record Date:

Class of Shares	As at the date of this announcement		Number of Shares to be issued according to the Rights Issue	Immediately after the completion of the Rights Issue	
	Number of issued Shares	As a percentage of total issued share capital of the Bank (%)		Number of Shares	As a percentage of total issued share capital of the Bank (%)
A Share	16,714,696,778	78.59%	5,014,409,033	21,729,105,811	78.59%
H Share	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%

The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue Plan (assuming the Rights Issue Plan is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares with 70% subscription level for the A Rights Shares and full subscription for the H Rights Shares and assuming no change in the issued share capital of the Company between the date of this announcement and the Record Date):

Class of Shares	As at the date of this announcement		Number of Shares to be issued according to the Rights Issue	Immediately after the completion of the Rights Issue	
	Number of issued Shares	As a percentage of total issued share capital of the Bank (%)		Number of Shares	As a percentage of total issued share capital of the Bank (%)
A Share	16,714,696,778	78.59%	3,510,086,323	20,224,783,101	77.36%
H Share	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%

According to public information, as at the date of this announcement, the Bank's public float percentage complies with the requirements under Rule 8.08 of the Hong Kong Listing Rules. Upon the completion of the Rights Issue, the Bank's public float percentage will continue to comply with the requirements under Rule 8.08 of the Hong Kong Listing Rules.

CIRCULAR

The Bank will despatch a circular containing the notices for convening the General Meeting and the H Share Class Meeting to the H Shareholders as soon as practicable pursuant to the relevant requirements of the Articles of Association.

GENERAL

This announcement is made pursuant to the general disclosure requirements of Rule 13.09(1) of the Hong Kong Listing Rules.

As the Rights Issue is subject to, among others, the approval of the Shareholders at the General Meeting, the approval by A Shareholders at the A Share Class Meeting and the approval by H Shareholders at the H Share Class Meeting, the Rights Issue may or may not materialize. The H Share Rights Issue is conditional upon the fulfilment of the conditions set out in the section headed “Conditions of the H Share Rights Issue” in this announcement. If the conditions are not fulfilled, the H Share Rights Issue will not proceed. Shareholders and investors are advised to exercise caution when dealing in H Shares.

DEFINITIONS

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

“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 (less any A Shares not taken up by A Shareholders)
“A Share(s)”	the domestic listed shares of RMB1.00 each in the share capital of the Bank, which are listed on the Shanghai Stock Exchange and traded in RMB
“A Share Rights Issue Record Date”	a date to be determined by the Board or its authorized person(s) by reference to which entitlements to the A Share Rights Issue are to be determined
“A Share Rights Issue”	the proposed issue of up to 5,014,409,033 A Rights Shares at the Rights Issue 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 Shareholder(s)”	holder(s) of A Shares
“A Share Class Meeting”	the A share class meeting of the Bank to be held to consider and, if thought fit, approve, among others, the Rights Issue
“Articles of Association”	the Articles of Association of the Bank
“Bank”	China Zheshang Bank Co., Ltd. and its branches
“Board”	the board of Directors of the Bank

“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Bank
“Excluded 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 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
“General Meeting”	the general meeting of the Bank to be held to consider and, if thought fit, approve, among others, the Rights Issue
“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 (less any H Shares not taken up by the H Shareholders)
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Rights Issue Record Date”	a date to be determined by the Board or its authorized person(s) by reference to which entitlements to the H Share Rights Issue are to be determined
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Share Rights Issue”	the proposed issue of up to 1,366,200,000 H Rights Shares at the Rights Issue Price on the basis of up to three (3) H Rights Share for every ten (10) existing H Shares held on the H Share Rights Issue Record Date
“H Share Rights Issue Prospectus”	the 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 Shareholder(s)”	holder(s) of the H Shares
“H Share Class Meeting”	the H share class meeting of the Bank to be held to consider and, if thought fit, approve, among others, the Rights Issue

“HK\$” or “Hong Kong dollars”	Hong Kong dollar, the lawful currency of Hong Kong
“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
“nil-paid H Rights Share(s)”	the rights to subscribe for H Rights Shares (in the form of H Rights Shares in nil-paid form) before the Rights Issue Price is paid
“Overseas Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Bank on the H Share Rights Issue Record Date and whose registered address(es) is/are in a place outside Hong Kong
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Southbound Trading Investors”	PRC investors holding the shares of Hong Kong listed companies through China Securities Depository and Clearing Corporation Limited, the agent of Shanghai-Hong Kong Stock Connect
“Qualified A Shareholder(s)”	A Shareholder(s) whose name(s) appear(s) on the register of members of the Bank on the A Share Rights Issue Record Date (excluding Excluded Shareholders)
“Qualified H Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Bank on the H Share Rights Issue Record Date (not being Excluded Shareholders)
“Record Date”	A Share Rights Issue Record Date and/or H Share Rights Issue Record Date
“Rights Issue”	A Share Rights Issue and/or H Share Rights Issue
“Rights Issue Price”	the final subscription price for the A Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue
“Rights Share(s)”	A Rights Share(s) and/or H Rights Share(s)

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Shares
“%”	per cent.

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

Hangzhou, the PRC
October 28, 2021

As at the date of this announcement, the executive directors of the Bank are Mr. Shen Renkang and Mr. Zhang Rongsen; the non-executive directors are Mr. Ren Zhixiang, Ms. Gao Qinhong, Mr. Hu Tiangao, and Mr. Zhu Weiming; the independent non-executive directors are Mr. Tong Benli, Mr. Dai Deming, Mr. Liu Pak Wai, Mr. Zheng Jindu, Mr. Zhou Zhifang, Mr. Wang Guocai and Mr. Wang Wei.