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

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

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

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

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**POSTAL SAVINGS BANK OF CHINA CO., LTD.****中國郵政儲蓄銀行股份有限公司**

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

**(Stock Code: 1658)**

**SUPPLEMENTAL CIRCULAR  
PROPOSED ISSUANCE OF A SHARES TO  
THE SPECIFIC SUBSCRIBERS  
GRANT OF AUTHORIZATION TO THE BOARD  
OF DIRECTORS AND ITS AUTHORIZED PERSONS TO HANDLE  
THE SPECIFIC MATTERS RELATING TO THE ISSUANCE  
OF A SHARES TO THE SPECIFIC SUBSCRIBERS  
SHARE SUBSCRIPTION AGREEMENTS WITH CONDITIONS PRECEDENT  
INTRODUCING THE STRATEGIC EQUITY INVESTMENT OF  
THE MINISTRY OF FINANCE  
STRATEGIC COOPERATION AGREEMENTS  
WITH CONDITIONS PRECEDENT  
SUPPLEMENTAL NOTICE OF THE 2024 ANNUAL GENERAL MEETING  
AND  
NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING**

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This supplemental circular should be read together with the circular of the Bank published on March 27, 2025 (the "First Circular").

The Bank will convene the AGM as originally scheduled at 10:00 a.m. on Thursday, April 17, 2025 on-site at Block A, Jinjia Plaza, No. 6 Financial Street, Xicheng District, Beijing. And it will convene the A Shareholders' Class Meeting and H Shareholders' Class Meeting successively immediately after the AGM. The notice of the AGM is set out in the First Circular. The supplemental notice of the AGM and the notice of the H Shareholders' Class Meeting are set out on pages 27 to 33 of this supplemental circular.

This supplemental circular sets out details of the additional resolutions to be proposed to the AGM and the H Shareholders' Class Meeting. If you intend to appoint a proxy to attend the AGM and/or the H Shareholders' Class Meeting, you are required to complete and return the supplemental proxy form for the AGM and/or proxy form for the H Shareholders' Class Meeting (the "Supplemental Proxy Form(s)") in accordance with the instructions printed thereon. The Supplemental Proxy Form(s) should be returned to Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) for H Shareholders, in any event served by hand or by post not less than 24 hours before the time designated for holding the AGM and the H Shareholders' Class Meeting or any adjournment thereof. Completion and return of the Supplemental Proxy Form(s) will not preclude you from attending and voting in person at the AGM and/or the H Shareholders' Class Meeting or any adjournment thereof if you so wish.

\* *Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

March 30, 2025

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## DEFINITIONS

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

“A Share(s)”	Ordinary Share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in RMB and listed on the SSE
“A Shareholder(s)”	holder(s) of A Shares
“A Shareholders’ Class Meeting”	the first class meeting of A Shareholders of 2025 to be convened by the Bank after the conclusion of the AGM on Thursday, April 17, 2025 on-site at Block A, Jinjia Plaza, No. 6 Financial Street, Xicheng District, Beijing
“AGM”	the 2024 annual general meeting to be convened by the Bank at 10:00 a.m. on Thursday, April 17, 2025 on-site at Block A, Jinjia Plaza, No. 6 Financial Street, Xicheng District, Beijing
“Articles of Association”	the Articles of Association of Postal Savings Bank of China Co., Ltd., as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Bank” or “Postal Savings Bank of China”	Postal Savings Bank of China Co., Ltd., a joint stock limited liability company incorporated in the PRC in accordance with PRC laws, including its predecessors, branches and sub-branches, directly-operated outlets and agency outlets (to the extent of agency outlets’ operations, risk management and licenses in relation to agency banking businesses they conduct) and subsidiaries (where the context so requires)
“Board” or “Board of Directors”	the board of Directors of the Bank
“China Mobile Group”	China Mobile Communications Group Co., Ltd.
“China Post Group”	China Post Group Corporation Limited, the controlling Shareholder of the Bank
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules

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## DEFINITIONS

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“CSRC”	China Securities Regulatory Commission
“CSSC”	China State Shipbuilding Corporation Limited
“Director(s)”	the director(s) of the Bank
“Group”	the Bank and its subsidiaries
“H Share(s)”	Ordinary Share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders’ Class Meeting”	the first class meeting of H Shareholders of 2025 to be convened by the Bank after the conclusion of the A Shareholders’ Class Meeting on Thursday, April 17, 2025 on-site at Block A, Jinjia Plaza, No. 6 Financial Street, Xicheng District, Beijing
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issuance of A Shares to the Specific Subscribers” or “Issuance”	the Bank issued A Shares pursuant to the Plan for the Issuance of A Shares to the Specific Subscribers
“Latest Practicable Date”	March 30, 2025, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information contained herein
“MOF” or “Ministry of Finance”	Ministry of Finance of the People’s Republic of China
“Plan for the Issuance of A Shares to the Specific Subscribers” or “Issuance Plan”	the plan for the issuance of A Shares to the specific subscribers of the Bank to be submitted to the Shareholders for consideration and approval at the AGM and Shareholders’ Class Meetings, details of which are set out in this supplemental circular
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“Share(s)” or “Ordinary Share(s)”	the A Share(s) and/or H Share(s) of the Bank
“Shareholder(s)”	holder(s) of Shares of the Bank
“Shareholders’ Class Meetings”	A Shareholders’ Class Meeting and H Shareholders’ Class Meeting
“Share Subscription Agreement(s) with Conditions Precedent” or “Share Subscription Agreement(s)”	Share Subscription Agreement(s) with Conditions Precedent for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China Co., Ltd. entered into between the Bank and the MOF, China Mobile Group and CSSC, respectively on March 30, 2025
“Strategic Cooperation Agreement(s) with Conditions Precedent” or “Strategic Cooperation Agreement(s)”	Strategic Cooperation Agreement(s) with Conditions Precedent for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China Co., Ltd. entered into between the Bank and China Mobile Group and CSSC, respectively on March 30, 2025
“SSE”	Shanghai Stock Exchange
“Supervisor(s)”	the supervisor(s) of the Bank

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LETTER FROM THE BOARD OF DIRECTORS

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**POSTAL SAVINGS BANK OF CHINA CO., LTD.**

**中國郵政儲蓄銀行股份有限公司**

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

**(Stock Code: 1658)**

***Board of Directors:***

*Chairman and Non-executive Director:*

Mr. Zheng Guoyu

*Executive Directors:*

Mr. Liu Jianjun

Ms. Yao Hong

*Non-executive Directors:*

Mr. Han Wenbo

Mr. Chen Donghao

Mr. Liu Xin'an

Mr. Zhang Xuanbo

Mr. Hu Yuting

Mr. Ding Xiangming

Mr. Yu Mingxiong

*Independent Non-executive Directors:*

Mr. Wen Tiejun

Mr. Chung Shui Ming Timpson

Ms. Pan Yingli

Mr. Tang Zhihong

Mr. Hong Xiaoyuan

*To the Shareholders:*

Dear Sir or Madam,

**I. INTRODUCTION**

This supplemental circular should be read together with the First Circular.

The purpose of this supplemental circular is to provide you with the supplemental notice of the AGM and the notice of the H Shareholders' Class Meeting and information on the additional resolutions to be proposed to the AGM and the H Shareholders' Class Meeting, to enable you to make an informed decision on whether to vote for or against the proposed additional resolutions at the AGM and the H Shareholders' Class Meeting.

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## LETTER FROM THE BOARD OF DIRECTORS

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### II. ADDITIONAL RESOLUTIONS

Additional resolutions to be proposed, considered and approved at the AGM include: (9) the Proposal Regarding Postal Savings Bank of China's Eligibility for the Issuance of A Shares to the Specific Subscribers; (10) the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (11) the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (12) the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (13) the Proposal Regarding the Special Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China; (14) the Proposal Regarding the Dilution of Immediate Returns by the Issuance of A Shares to the Specific Subscribers, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China; (15) the Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2025-2027; (16) the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers; (17) the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (18) the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers; (19) the Proposal Regarding Introducing the Strategic Equity Investment of the Ministry of Finance of the People's Republic of China by Postal Savings Bank of China; (20) the Proposal Regarding Introducing China Mobile Group as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent; and (21) the Proposal Regarding Introducing CSSC as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent. Particularly, Proposal 9 and Proposals 13 to 15 are ordinary resolutions, and Proposals 10 to 12 and Proposals 16 to 21 are special resolutions.

Additional resolutions to be proposed, considered and approved at the H Shareholders' Class Meeting as special resolutions include: (10) the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (11) the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (16) the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers; (17) the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; and (18) the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers.

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## LETTER FROM THE BOARD OF DIRECTORS

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### **9. Proposal Regarding Postal Savings Bank of China’s Eligibility for the Issuance of A Shares to the Specific Subscribers**

In accordance with the provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Registration of the Issuance of Securities by Listed Companies (the “**Administrative Measures for the Registration**”), the Applicable Opinions on the Relevant Provisions of Article 9, Article 10, Article 11, Article 13, Article 40, Article 57 and Article 60 of the Administrative Measures for the Registration of the Issuance of Securities by Listed Companies – Applicable Opinions No. 18 on the Securities and Futures Laws (“**Applicable Opinions No. 18**”) and other relevant laws, administrative regulations and normative documents, after conducting self-examination on the Bank’s actual operations and relevant matters item by item, the Bank confirms that it has met the relevant conditions for the Issuance of A Shares to the Specific Subscribers.

The Proposal Regarding Postal Savings Bank of China’s Eligibility for the Issuance of A Shares to the Specific Subscribers has been reviewed and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM.

### **10. Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China**

In accordance with the provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Registration, the Applicable Opinions No. 18 and other relevant laws, administrative regulations and normative documents, the Bank has formulated the Plan for the Issuance of A Shares to the Specific Subscribers. The details are as follows:

#### ***A. Plan for issuance of Shares to the specific subscribers***

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

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

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

The Issuance will be conducted by way of issuance of Shares to the specific subscribers. The Bank will issue Shares at an appropriate time within the validity period upon obtaining the approval by the SSE and the approval for registration by the CSRC. If there are new provisions under the national laws and regulations in this regard, the Bank will make adjustments in accordance with the new provisions.



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## LETTER FROM THE BOARD OF DIRECTORS

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*(III) Amount and use of raised proceeds*

The proceeds proposed to be raised from the Issuance is RMB130 billion which, after deducting the relevant issuance expenses, will be fully used to replenish the core tier 1 capital of the Bank. The amount of the raised proceeds is subject to the final approval by the relevant regulatory authorities.

*(IV) Target subscribers and subscription method*

The target subscribers for the Issuance are the MOF, China Mobile Group and CSSC. The proposed subscription amounts by the MOF, China Mobile Group and CSSC are RMB117,579,940.0 thousand, RMB7,854,060.7 thousand and RMB4,565,999.3 thousand respectively, and the subscription amounts will be determined in accordance with the amount of proceeds approved by regulatory authorities. The MOF, China Mobile Group and CSSC will subscribe for A Shares to be issued under the Issuance in cash.

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

The pricing benchmark date of the Issuance is the date of announcement of the Board resolution that approved the Issuance. The issue price of the Shares to be issued under the Issuance is RMB6.32 per Share, which is not less than 80% of the average trading price (rounded up to the nearest two decimal places) of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date (excluding the pricing benchmark date, the same below). The average trading price of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date is equal to the total trading value of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date divided by the total trading volume of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date. In the event that there are ex-rights or ex-dividend activities causing adjustment to the share prices during the aforesaid 20 trading days, the trading prices for the trading days before such adjustment shall be calculated on the basis of the adjusted price caused by the ex-rights or ex-dividend activities. The final net issue price per A Share under the Issuance shall be determined according to final issue price, cost of issuance and other factors, and will be announced separately upon the completion of the Issuance.

The issue price under the Issuance will be adjusted accordingly in cases of ex-rights or ex-dividend matters of the Bank such as bonus issue, conversion of capital reserve into share capital, and cash dividends distribution for the Bank's A Shares during the period from the date of announcement of the Board resolution concerning the Issuance to the date of issuance. The adjustment methods are set out as follows:

- (1) Cash dividends distribution:  $P1 = P0 - D$
- (2) Bonus issue or conversion of capital reserve into share capital:  
 $P1 = P0 / (1 + N)$
- (3) The above two events occurring concurrently:  $P1 = (P0 - D) / (1 + N)$

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## LETTER FROM THE BOARD OF DIRECTORS

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whereas P1 represents the adjusted issue price, P0 represents the issue price before adjustment, D represents cash dividends per Share and N represents the number of bonus shares per Share or the number of Shares converted from capital reserve into share capital.

If, between the pricing benchmark date and the date of issuance, any policy adjustments are made to matters such as the issue price or pricing method under relevant laws, regulations, regulatory documents, or by the CSRC that are applicable to the Issuance, the issue price per share under the Issuance will be adjusted accordingly.

*(VI) Number of Shares to be issued*

The number of A Shares to be issued under the Issuance is 20,569,620,252 Shares and shall not exceed 30% of the total share capital of the Bank prior to the Issuance, subject to the number of Shares reviewed and approved by the SSE and approved for registration by the CSRC. The proposed subscription number by the MOF is 18,604,420,886 Shares. The proposed subscription number by China Mobile Group is 1,242,731,123 Shares. The proposed subscription number by CSSC is 722,468,243 Shares. The number of Shares to be subscribed is calculated by dividing the subscription amounts by the issue price and rounded down to the nearest integer with the fractional amount recorded into the capital reserve of the Bank.

The number of A Shares under the Issuance and the number of A Shares to be subscribed for by each of the target subscribers will be adjusted accordingly in cases of ex-rights and ex-dividend matters of the Bank such as bonus issue, conversion of capital reserve into share capital and distribution of cash dividends during the period from the date of announcement of the Board resolution concerning the Issuance to the date of issuance.

The final number of Shares to be issued under the Issuance will be determined, jointly or individually, by the Board authorized by the Shareholders' general meeting, the Chairman and the President delegated by the Board or other persons authorized by the Chairman and the President with the joint sponsors (the joint lead underwriters) through negotiation in accordance with requirements of relevant laws, regulations and normative documents, after the Bank has obtained the approval of the SSE and the approval for registration by the CSRC for the issuance.

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

In accordance with the relevant requirements of the CSRC, the National Financial Regulatory Administration and the SSE, all the Shares subscribed for by the MOF, China Mobile Group and CSSC under the Issuance shall not be transferred within five years from the date on which they obtain the equity interests. The Shares derived from the Shares subscribed for by the MOF, China Mobile Group and CSSC due to activities by the Bank, such as distribution of dividends and conversion of capital reserve into share capital, shall also comply with the above-mentioned lock-up arrangement.

If the lock-up period for the Shares subscribed for and the transfer of Shares upon expiry of the lock-up period are otherwise regulated by the relevant regulatory authorities, such regulations shall be followed.

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## LETTER FROM THE BOARD OF DIRECTORS

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Upon expiry of the lock-up period, the Shares subscribed for by the MOF, China Mobile Group and CSSC may be transferred in accordance with the Company Law of the People's Republic of China and other relevant laws and regulations as well as the relevant regulations of the CSRC, the National Financial Regulatory Administration and the SSE.

*(VIII) Listing venue*

The A Shares to be issued under the Issuance will be listed on the SSE.

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

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

*(X) Validity period of the resolution*

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

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

In order to implement the arrangements and requirements of Central Committee of the Communist Party of China (CPC) and the State Council on the capital injection to large state-owned commercial banks, further consolidate and enhance the ability of large commercial banks to operate and develop steadily, and better undertake the important tasks of supporting high-quality economic development and implementing the "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank proposes to issue A Shares to the specific subscribers.

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

The Board considers that the pricing basis of the Issuance is fair and reasonable and in the interests of the Bank and the Shareholders as a whole. The Issuance has been considered and approved by the Board. Pursuant to the relevant PRC laws and regulations as well as the Hong Kong Listing Rules, the implementation of the Issuance is subject to (i) the approval by the Shareholders at the AGM and the Shareholders' Class Meetings; (ii) the approval by the National Financial Regulatory Administration; (iii) the approval by the SSE; and (iv) the approval for registration by the CSRC. The Issuance Plan is subject to the final plan to be approved by the aforesaid regulatory authorities. None of the above conditions shall be waived; therefore, if any of the above conditions is not fulfilled, the Bank shall not proceed with the Issuance.

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## LETTER FROM THE BOARD OF DIRECTORS

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As at the Latest Practicable Date, the Bank has not submitted the application of the Issuance to the National Financial Regulatory Administration, the SSE or the CSRC. In accordance with the applicable laws and regulations of the PRC, the Bank will submit the application of the Issuance to the National Financial Regulatory Administration, the SSE and the CSRC after the approval of the Issuance by the Shareholders at the AGM and the Shareholders' Class Meetings.

### *D. Basic information of the target subscribers*

The target subscribers of the Issuance are the MOF, China Mobile Group and CSSC.

The MOF is a constituent department of the State Council and is the state administrative agency in charge of the fiscal revenue and expenditure, taxation policy and other matters in China.

China Mobile Group is a wholly state-owned enterprise established under the Company Law of the People's Republic of China by the state. China Mobile Group is principally engaged in basic telecommunications business, value-added telecommunications business, and innovative digital services such as digital media content and information solutions. With the license for operating international networking of computer information and international communication accesses, China Mobile Group is able to provide quality products and services related to information and communication, and integrated information solutions to individuals, families, government agencies, enterprises and other customers.

CSSC is a wholly state-owned enterprise established under the Company Law of the People's Republic of China by the state. CSSC is principally engaged in the research, development and production of naval products, civil ships and supporting facilities as well as non-marine equipment, and is one of the Global 500 companies in China's shipping industry.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the MOF, China Mobile Group and CSSC and their ultimate beneficial owners are third parties independent of the Bank and its connected persons.

## LETTER FROM THE BOARD OF DIRECTORS

### *E. Effect of the Issuance on the shareholding structure of the Bank*

The following table sets out the shareholding structure of the Bank as at the Latest Practicable Date and immediately after the completion of the Issuance (on the assumption that (1) 20,569,620,252 A Shares will be issued under the Issuance (representing approximately 20.74% of the total issued share capital of the Bank as of the Latest Practicable Date and 17.18% of the total issued share capital of the Bank as enlarged by the maximum issuance of A Shares under the Issuance); (2) none of the existing Shareholders will become the connected persons of the Bank due to subscribing for the A Shares under the Issuance; and (3) there will be no further change in the existing shareholding structure of the Bank until the completion of the Issuance):

Name of Shareholders	As at the Latest Practicable Date		Immediately after the completion of the Issuance	
	Number of Shares	As a percentage of total issued Shares	Number of Shares	As a percentage of total issued Shares
<b>A Shares</b>				
– China Post Group	62,174,849,280	62.70%	62,174,849,280	51.93%
– Ministry of Finance	0	0%	18,604,420,886	15.54%
– Public A Shareholders	17,130,059,758	17.27%	19,095,259,124	15.95%
– China Mobile Group	6,777,108,433	6.83%	8,019,839,556	6.70%
– CSSC	0	0%	722,468,243	0.60%
– Other public				
A Shareholders	10,352,951,325	10.44%	10,352,951,325	8.65%
<b>Total issued A Shares</b>	<b>79,304,909,038</b>	<b>79.98%</b>	<b>99,874,529,290</b>	<b>83.42%</b>
<b>H Shares</b>				
– China Post Group	80,700,000	0.08%	80,700,000	0.07%
– DBS Bank Ltd. <sup>(1)</sup>	398,460,000	0.40%	398,460,000	0.33%
– Public H Shareholders	19,377,007,000	19.54%	19,377,007,000	16.18%
– CSSC	3,939,907,462	3.97%	3,939,907,462	3.29%
– Other public				
H Shareholders	15,437,099,538	15.57%	15,437,099,538	12.89%
<b>Total issued H Shares</b>	<b>19,856,167,000</b>	<b>20.02%</b>	<b>19,856,167,000</b>	<b>16.58%</b>
<b>Total issued Shares</b>	<b>99,161,076,038</b>	<b>100.00%</b>	<b>119,730,696,290</b>	<b>100.00%</b>

*Notes:*

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

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## LETTER FROM THE BOARD OF DIRECTORS

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

Based on publicly available information and to the knowledge of the Board, assuming that a total of 20,569,620,252 A Shares will be issued pursuant to the Issuance and that there are no other changes to the share capital of the Bank prior to the completion of the Issuance, the public float percentage of the Bank immediately after the completion of the Issuance will continue to satisfy the minimum requirement under Rule 8.08 of the Hong Kong Listing Rules.

***F. Whether the Issuance leads to changes in the controlling right over the Bank***

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

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

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

***H. Specific mandate to issue A Shares***

The Bank will issue the A Shares under the specific mandate to be sought from the Independent Shareholders at the AGM and the Shareholders' Class Meetings.

The Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China was considered and approved by the Board on March 30, 2025 and is now proposed to Shareholders for consideration and approval at the AGM and H Shareholders' Class Meeting. The A Shares to be issued under the Issuance will be issued after the distribution of the 2024 annual dividends. Therefore, such A Shares will only be entitled to the dividends distributed after the Issuance.

**11. Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China**

According to the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Registration, the Applicable Opinions No. 18 and other relevant laws, administrative regulations and normative documents, the Bank drew up the demonstration and analysis report on the Issuance Plan. See Appendix I for details.

The Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China was considered and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM and H Shareholders' Class Meeting.

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## LETTER FROM THE BOARD OF DIRECTORS

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### **12. Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China**

According to the Administrative Measures for the Registration by the CSRC, the Bank has prepared Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China Co., Ltd., which analyzed and reported on the use of raised proceeds, the necessity and feasibility of the issuance of Shares to the specific subscribers and the impact on the Bank's business management and financial status. See Appendix II for details.

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

The Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China was considered and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM.

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

In accordance with the Guidelines for the Application of Regulatory Rules – Issuance No. 7 issued by the CSRC, the Bank has prepared the Special Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China. See Appendix III for details.

The Proposal Regarding the Special Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China was considered and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM.

### **14. Proposal Regarding the Dilution of Immediate Returns by the Issuance of A Shares to the Specific Subscribers, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China**

In accordance with the relevant requirements of the Several Opinions of the State Council on Strengthening Regulation, Forestalling Risks and Promoting the High-Quality Development of the Capital Market, the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market and the Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring issued by the CSRC, the Bank has formulated the Dilution of Immediate Returns by the Issuance of A Shares to the Specific Subscribers, Remedial Measures and the Commitments of Related Entities of

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## LETTER FROM THE BOARD OF DIRECTORS

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Postal Savings Bank of China Co., Ltd., conducted analysis in respect of the impact of the Issuance on the dilution of the immediate returns and formulated relevant remedial measures in light of the actual situation. See Appendix IV for details.

The Proposal Regarding the Dilution of Immediate Returns by the Issuance of A Shares to the Specific Subscribers, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China was considered and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM.

### **15. Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2025-2027**

In order to further strengthen the intent of rewarding Shareholders, improve the profit distribution system and offer reasonable, continuous and stable investment returns to Shareholders, the Bank has formulated the Shareholders' Return Plan of Postal Savings Bank of China Co., Ltd. for the Next Three Years of 2025-2027 in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies and the Articles of Association, while taking into full account its actual operation condition and the needs of future development. See Appendix V for details.

The Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2025-2027 was considered and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM.

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

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

- (I) formulating, adjusting, amending, supplementing and implementing the specific plan of the Issuance, including but not limited to determining or adjusting the time of issuance, size of issuance, target subscribers, issue price and other matters as well as remedial measures for immediate returns, shareholder return planning and other contents related to the issuance plan, according to the relevant laws, administrative



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## LETTER FROM THE BOARD OF DIRECTORS

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regulations and normative documents, as well as opinions and recommendations of the regulatory authorities, while taking into consideration of the market environment and the specific conditions of the Bank;

- (II) drafting, amending and signing various applications, relevant reports or materials in relation to the Issuance and submitting them to relevant government agencies, regulatory authorities, stock exchanges and securities registration and clearing houses (including but not limited to the MOF, the National Financial Regulatory Administration, the CSRC, the Hong Kong Stock Exchange, the SSE, and Shanghai Branch of China Securities Depository and Clearing Corporation Limited (“**CSDCC Shanghai Branch**”)), completing the procedures for approval, registration, filing, ratification, permission, listing and other procedures, and handling the information disclosure for the Issuance in accordance with regulatory requirements;
- (III) deciding upon and engaging the intermediary institutions that participate in the Issuance, as well as amending, supplementing, signing, implementing and terminating any agreement, contract and document related to the Issuance (including but not limited to sponsorship and underwriting agreements, intermediary engagement agreements, agreements related to raised proceeds, share subscription agreements entered into with investors, strategic cooperation agreements, announcements and other disclosure documents);
- (IV) upon the completion of the Issuance, applying for change in registered capital as appropriate and modifying the relevant provisions in the Articles of Association in accordance with the results of the Issuance, and reporting to the relevant government agencies and regulatory authorities for approval or filing after submitting to the corporate governance procedure for decision making, and completing the change of registration, the registration and custody of new Shares and other relevant matters with the market supervision and administration departments and other relevant departments;
- (V) opening and managing a special account for the raised proceeds from the Issuance, and handling the relevant matters in relation to the use of the raised proceeds from the Issuance;
- (VI) subject to the applicable PRC laws, if there are new requirements on policies in respect of listed companies issuing new Shares under the laws, administrative regulations and normative documents and by relevant regulatory authorities and if there are changes in market conditions, except for those which are subject to another voting at a Shareholders’ general meeting of the Bank and cannot be authorized as required by relevant laws, administrative regulations, normative documents and the Articles of Association, adjusting the Issuance Plan in accordance with relevant rules and requirements of regulatory authorities (including any enquiry or feedback upon review of the application for the Issuance) and the market situation, and continuing to handle the matters related to the Issuance;

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## LETTER FROM THE BOARD OF DIRECTORS

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- (VII) further analysing and demonstrating the impacts of the Issuance on the immediate returns of the Bank, formulating and modifying relevant remedial measures and policies, and handling other relevant matters, in the event that the laws, administrative regulations and normative documents impose new requirements or relevant regulatory authorities require any changes to be made regarding compensating immediate returns for refinancing;
- (VIII) handling other matters that are necessary, proper and appropriate for the Issuance on behalf of the Bank subject to the relevant laws, administrative regulations and normative documents.

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

The Proposal to Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers was considered and approved by the Board on March 30, 2025 and is now proposed to Shareholders for consideration and approval at the AGM and H Shareholders' Class Meeting.

### **17. Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China**

Pursuant to the Bank's Plan for the Issuance of A Shares to the Specific Subscribers, the Bank proposes to issue A Shares to MOF, China Mobile Group and CSSC. The total proceeds raised is RMB130 billion, of which the proposed subscription amounts by MOF, China Mobile Group and CSSC are RMB117,579,940.0 thousand, RMB7,854,060.7 thousand and RMB4,565,999.3 thousand respectively, and the subscription amounts will be determined in accordance with the amount of proceeds approved by regulatory authorities. The proceeds will be used to replenish core tier 1 capital of the Bank after deducting related issuance expenses.

In accordance with requirements of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Articles of Association, the Administrative Measures on Related Party Transactions of Postal Savings Bank of China Co., Ltd., China Mobile Group and CSSC are related parties of the Bank, and the proposed subscription of the Shares under the Issuance by them constitutes related party transactions with the Bank.

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## LETTER FROM THE BOARD OF DIRECTORS

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Pursuant to the relevant provisions of the Hong Kong Listing Rules, the subscribers of the Issuance do not constitute connected persons of the Bank under the Hong Kong Listing Rules and their subscription of the Shares in the Issuance does not constitute a connected transaction for the Bank under the Hong Kong Listing Rules.

The Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China was considered and approved by the Board on March 30, 2025 and is now proposed to Shareholders for consideration and approval at the AGM and H Shareholders' Class Meeting.

### **18. Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers**

On March 30, 2025, the Bank entered into the Share Subscription Agreements with Conditions Precedent with the MOF, China Mobile Group and CSSC, respectively. Save as terms set out in “10. Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China — A. Plan for issuance of Shares to the specific subscribers”, the main terms and conditions of Share Subscription Agreements with Conditions Precedent also include:

#### ***(I) Payment of subscription amounts and delivery of Shares***

The target subscribers of the Issuance agreed to subscribe for Shares issued by the Bank in cash.

The target subscribers of the Issuance agreed that upon the fulfillment of all the conditions precedent as stipulated in the Share Subscription Agreements and the receipt of the Payment Notice issued by the Bank and the lead underwriter engaged by the Bank, the target subscribers of the Issuance shall, in accordance with the requirements of the Payment Notice, remit the subscription amounts in cash in full to the bank account specially opened by the lead underwriter for the Issuance before the payment date specified in the notice. After the verification of capital contributions has been completed by the auditor, the lead underwriter shall, after deducting related expenses, transfer such subscription amounts to the Bank's designated special account for raised proceeds.

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After receiving the subscription amounts paid in full by the target subscribers of the Issuance, the Bank will complete the share registration procedures of the subscription Shares with CSDCC Shanghai Branch in accordance with the procedures prescribed by the CSRC, the SSE and CSDCC Shanghai Branch, and deposit Shares subscribed for by the target subscribers of the Issuance into the accounts of the target subscribers of the Issuance through the securities registration system of CSDCC Shanghai Branch to complete the delivery of Shares.

### *(II) Conclusion and entry into force of the contracts*

The Share Subscription Agreements shall be concluded upon signature by the legal representatives/principals or authorized representatives of both parties and affixing of the official seals.

Except for the clauses relating to conclusion and entry into force, liability for breach, confidentiality obligations, applicable laws, dispute resolution and notification stipulated in the Share Subscription Agreements, which shall come into effect on the date of the conclusion of the Share Subscription Agreements, other clauses will become effective on the day when all the following conditions are met:

1. Matters related to the subscription of the Bank's Shares in the Issuance have been approved by the subscribers of the Issuance after their internal decision-making and their competent regulatory authorities (if any);
2. The Share Subscription Agreements and matters related to the Issuance have been considered and approved by the Board of the Bank, the Shareholders' general meeting (including shareholders' class meetings);
3. The Bank's Issuance and other administrative licensing matters related to the implementation of the Issuance have been approved by the National Financial Regulatory Administration;
4. Matters related to the Issuance have been considered and approved by the SSE;
5. The registration for the Issuance has been approved by the CSRC.

The Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers has been considered and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM and H Shareholders' Class Meeting.

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## LETTER FROM THE BOARD OF DIRECTORS

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### **19. Proposal Regarding Introducing the Strategic Equity Investment of the Ministry of Finance of the People’s Republic of China by Postal Savings Bank of China**

In accordance with the Bank’s development plan and actual situation of operation and management, the Bank intends to introduce the strategic equity investment of the Ministry of Finance by way of Issuance of A Shares to the Specific Subscribers.

#### ***(I) Purpose of Introducing the Strategic Equity Investment of the Ministry of Finance***

In order to comprehensively implement the decisions and plans of the CPC Central Committee and the State Council to supplement the core tier 1 capital of large state-owned commercial banks, consolidate and enhance the ability of large commercial banks to operate and develop soundly, improve the quality and effectiveness of financial services for the real economy, uphold the political and people-oriented approach of financial work, and positively respond to the important guidelines from the Central Financial Work Conference on pressing ahead with “five priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank introduces the Ministry of Finance as one of the participants in the Issuance to realize the strategic equity investment of the Ministry of Finance in the Bank, so as to enhance the Bank’s risk resilience and credit extension capabilities, better serve the development of the real economy, achieve the unity of the security and efficiency of the state-owned assets of the Bank, and contribute to the prosperity and stability of China’s economy.

#### ***(II) Reasonableness of Introducing the Strategic Equity Investment of the Ministry of Finance***

The strategic equity investment of the Ministry of Finance in the Bank can optimize the layout of state-owned capital, help enhance the effectiveness of fiscal policy transmission, strengthen the implementation of national strategies through the capital ties, promote the sustained recovery and improvement of the macro-economy, and fulfill the responsibility of the state-owned capital to serve national development and people’s well-being. Meanwhile, the strategic equity investment of the Ministry of Finance will further enhance the Bank’s capital strength and ability to withstand risks, promote the Bank’s business development and improve the stability of the financial system.

#### ***(III) Arrangements for the Use of Raised Proceeds***

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

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### *(IV) Basic Information of the Ministry of Finance*

The Ministry of Finance, established in October 1949, is a constituent department of the State Council and the state administrative agency in charge of the fiscal revenue and expenditure, taxation policy and other matters in China.

The Proposal Regarding Introducing the Strategic Equity Investment of the Ministry of Finance of the People's Republic of China by Postal Savings Bank of China has been reviewed and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM.

### **20. Proposal Regarding Introducing Strategic Investors into Postal Savings Bank of China and Entering into the Strategic Cooperation Agreements with Conditions Precedent**

In accordance with the Bank's development plan and actual situation of operation and management, the Bank intends to introduce China Mobile Group and CSSC as strategic investors by way of Issuance of A Shares to the Specific Subscribers. On March 30, 2025, the Bank entered into Strategic Cooperation Agreements with China Mobile Group and CSSC ("**strategic partners**"), respectively. The main contents are as follows:

#### *(I) Purpose of Introducing Strategic Investors*

In order to comprehensively implement the decisions and plans of the CPC Central Committee and the State Council to supplement the core tier 1 capital of large state-owned commercial banks, consolidate and enhance the ability of large commercial banks to operate and develop soundly, improve the quality and effectiveness of financial services for the real economy, uphold the political and people-oriented approach of financial work, and positively respond to the important guidelines from the Central Financial Work Conference on pressing ahead with "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank will introduce strategic partners with financial strength and resource advantages. The Bank will, by issuing A Shares to strategic partners, enhance its risk resilience and credit extension capabilities, better serve the development of the real economy, achieve the unity of the security and efficiency of the state-owned assets of the Bank, and contribute to the prosperity and stability of China's economy.

#### *(II) Methods and Areas of Cooperation*

1. Each of the strategic partners subscribes to the Bank's Shares in the Issuance as a strategic investor (the specific number of Shares, pricing basis and lock-up period are subject to the Share Subscription Agreements with Conditions Precedent finally signed by the parties), and becomes one of the Bank's important Shareholders. The parties agree to establish a regular communication mechanism at the working level every quarter and hold management meetings

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## LETTER FROM THE BOARD OF DIRECTORS

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from time to time. The Bank is willing to provide support for the performance of duties by the directors sent by the strategic partners in accordance with laws, regulations, and the Articles of Association. The parties agree to maintain effective communication in governance bodies such as the Board of Directors and Shareholders' general meetings.

2. Based on their positioning as strategic investors, the strategic partners shall closely monitor the development trends of the banking industry, put forward reasonable and feasible opinions and suggestions to the Bank on its development strategy, key projects, capital operation planning, dividend levels, etc., align relevant strategic resources with the Bank's needs, and explore the feasibility of the parties' cooperation.

### ***(III) Term of Cooperation***

The parties agree that, unless they agree to terminate the Strategic Cooperation Agreements in advance through negotiation, the cooperation period shall be from the date when the Strategic Cooperation Agreements take effect to the date when the strategic partners cease to hold any Shares of the Bank through the Issuance.

### ***(IV) Arrangements for Participating in the Governance of the Bank***

The strategic partners shall have the same rights as the ordinary Shareholders of the Bank and the right to exercise relevant shareholder rights of voting rights, proposal rights<sup>1</sup>, and supervision rights<sup>2</sup> in accordance with laws and regulations, the Articles of Association and relevant agreements of the Issuance, and actively participate in the corporate governance of the Bank.

### ***(V) Not Seeking or Cooperating with Other Parties to Seek Control of the Bank***

The strategic partners are committed that during the period of holding or controlling the Shares of the Bank, the strategic partners (including the entities controlled by the strategic partners) shall not seek or support or cooperate with other parties to seek control of the Bank in any form, including but not limited to consensually challenging with other Shareholders or potential Shareholders of the Bank and their related parties and persons acting in concert through entrustment, solicitation of voting rights, agreement, joint action, signing of a concerted action agreement/entrustment voting agreement and any other means. They shall not assist or cooperate with any third party to substantially challenge the absolute control of the Bank's controlling Shareholder over the Bank,

<sup>1</sup> Pursuant to Articles 70 and 89 of the Articles of Association, Shareholder(s) who individually or in aggregate hold 3% or more of the total Shares of the Bank with voting rights shall have the right to submit interim proposals ten (10) days before the Shareholders' general meeting.

<sup>2</sup> Pursuant to Article 55 of the Articles of Association, the ordinary Shareholders of the Bank shall have the right to supervise the Bank's business operations, and to put forward suggestions and raise enquiries.

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## LETTER FROM THE BOARD OF DIRECTORS

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including but not limited to the situation where, as a result of the active behavior of the strategic partners, the proportion of voting rights of the Bank controlled by any third party reaches or exceeds 50% of the Bank's voting rights controlled by the Bank's controlling Shareholder. They shall not seek or assist other parties to seek the status of becoming the controlling Shareholder or de facto controller of the Bank by purchasing Shares of the Bank in the secondary market or accepting agreement-based transfer of Shares either directly or through the entities controlled by the strategic partners.

The strategic partners undertake that they shall not use their shareholding position or influence to interfere with or affect the controlling Shareholder's control over the Bank (including but not limited to the control over the Board of Directors) or affect the normal production and operation of the Bank.

### *(VI) Future Exit Arrangements*

The strategic partners undertake that if they reduce their holdings in the future by means other than centralized bidding transactions in the secondary market, they shall ensure not to affect their compliance with the clause stating "not seeking or cooperating with other parties to seek control of the listed company" in the Strategic Cooperation Agreements.

### *(VII) Conclusion, Entry into Force and Termination of the Agreements*

1. The Strategic Cooperation Agreements shall be established on the date when they are signed by the legal representatives or authorized representatives of the parties and affixed with the official seals of the parties, and shall take effect at the same time as the Share Subscription Agreements with Conditions Precedent.
2. Both parties agree that the Strategic Cooperation Agreement shall be terminated in the event of any of the following circumstances:
  - (1) Upon the termination or rescission of the Share Subscription Agreement, the Strategic Cooperation Agreement shall be terminated or rescinded at the same time.
  - (2) When both parties unanimously agree to terminate the Strategic Cooperation Agreement, the Strategic Cooperation Agreement shall be terminated in writing.
  - (3) If the purpose of the Strategic Cooperation Agreement cannot be achieved due to significant changes in regulatory requirements, laws and regulations, relevant policies, etc., the Strategic Cooperation Agreement shall be terminated by either party by written notice.



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## LETTER FROM THE BOARD OF DIRECTORS

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- (4) If either party violates the obligations under the Strategic Cooperation Agreement, causing it impossible for the observant party to achieve the purposes of the Strategic Cooperation Agreement, the observant party shall be entitled to unilaterally terminate the Strategic Cooperation Agreement.
  - (5) If force majeure factors occur during the performance of the Strategic Cooperation Agreement, the Strategic Cooperation Agreement shall be terminated in accordance with the force majeure clause thereunder.
3. Unless otherwise agreed in the Strategic Cooperation Agreements, the termination of the Strategic Cooperation Agreements shall not relieve any party from the liability for breach of the clauses of the Strategic Cooperation Agreements prior to the termination date of the Strategic Cooperation Agreements.

The Proposal Regarding Introducing China Mobile Group as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent and the Proposal Regarding Introducing CSSC as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent have been considered and approved by the Board on March 30, 2025 and is now submitted to the Shareholders for consideration and approval at the AGM.

### III. THE AGM AND H SHAREHOLDERS' CLASS MEETING

Enclosed are the Supplemental Proxy Forms for the AGM and H Shareholders' Class Meeting.

China Mobile Group and its associates (holding a total of approximately 6.83% of the issued Shares of the Bank as at the Latest Practicable Date) shall abstain from voting on the following additional proposals at the AGM and H Shareholders' Class Meeting: (10) the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (11) the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (12) the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (16) the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers; (17) the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (18) the Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and China Mobile Group under the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers; and (20) the Proposal Regarding Introducing China Mobile Group as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent.

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## LETTER FROM THE BOARD OF DIRECTORS

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CSSC and its associates (holding a total of approximately 3.97% of the issued Shares of the Bank as at the Latest Practicable Date) shall abstain from voting on the following additional proposals at the AGM and H Shareholders' Class Meeting: (10) the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (11) the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (12) the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (16) the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers; (17) the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (18) the Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and CSSC under the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers; and (21) the Proposal Regarding Introducing CSSC as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, there are no other Shareholders who have any material interest in the above additional resolutions and are required to abstain from voting on the additional resolutions at the AGM and H Shareholders' Class Meeting.

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

In order to determine the list of H Shareholders who are entitled to attend the AGM and H Shareholders' Class Meeting, the Bank's H Share register of members will be closed from Monday, April 14, 2025 to Thursday, April 17, 2025 (both days inclusive). To attend the AGM and/or H Shareholders' Class Meeting, H Shareholders shall, before 4:30 p.m. on Friday, April 11, 2025, submit the share certificates and share transfer documents to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

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## LETTER FROM THE BOARD OF DIRECTORS

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### IV. VOTING BY POLL

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

### V. RECOMMENDATIONS

The Board has passed the additional resolutions to be submitted to the Shareholders for consideration and approval. At the relevant Board meeting, the Directors, Mr. Hu Yuting and Mr. Yu Mingxiong have material interests in the Issuance. Mr. Hu Yuting has abstained from voting on the following additional resolutions: (10) the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (11) the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (12) the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (16) the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers; (17) the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (18) the Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and China Mobile Group under the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers; and (20) the Proposal Regarding Introducing China Mobile Group as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent. Mr. Yu Mingxiong has abstained from voting on the following additional resolutions: (10) the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (11) the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (12) the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (16) the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers; (17) the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; (18) the Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and CSSC under the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers; and (21) the Proposal Regarding Introducing CSSC as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent. Except for the above Directors, no Directors have or are deemed to have material interests in the Issuance.

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## LETTER FROM THE BOARD OF DIRECTORS

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

Yours faithfully,

By order of the Board of Directors  
**Postal Savings Bank of China Co., Ltd.**

**Du Chunye**

*Joint Company Secretary*

March 30, 2025



**POSTAL SAVINGS BANK OF CHINA CO., LTD.**

**中國郵政儲蓄銀行股份有限公司**

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

**(Stock Code: 1658)**

**SUPPLEMENTAL NOTICE OF THE 2024 ANNUAL GENERAL MEETING**

**Reference is made to** the notice of the 2024 annual general meeting (the “**First Notice**”) of Postal Savings Bank of China Co., Ltd. (the “**Bank**”) dated March 27, 2025, which sets out the resolutions to be considered by shareholders at the 2024 annual general meeting (the “**AGM**”) to be held on-site at Block A, Jinjia Plaza, No. 6 Financial Street, Xicheng District, Beijing at 10:00 a.m. on Thursday, April 17, 2025.

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the AGM will be held as originally scheduled. In addition to the resolutions set out in the First Notice, the following resolutions will also be considered and approved at the AGM:

9. To consider and approve the Proposal Regarding Postal Savings Bank of China’s Eligibility for the Issuance of A Shares to the Specific Subscribers;
10. To consider and individually approve each of the following items of the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China:
  - (1) Class and nominal value of securities to be issued
  - (2) Method and time of issuance
  - (3) Amount and use of raised proceeds
  - (4) Target subscribers and subscription method
  - (5) Pricing benchmark date, issue price and pricing principle
  - (6) Number of Shares to be issued
  - (7) Lock-up period of Shares to be issued
  - (8) Listing venue
  - (9) Arrangement of accumulated undistributed profits prior to the completion of the issuance
  - (10) Validity period of the resolution

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## SUPPLEMENTAL NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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11. To consider and approve the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China;
12. To consider and approve the Proposal Regarding the Feasibility Report on the Use of Proceeds Raised from the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China;
13. To consider and approve the Proposal Regarding the Special Report on the Use of Previously Raised Proceeds of Postal Savings Bank of China;
14. To consider and approve the Proposal Regarding the Dilution of Immediate Returns by the Issuance of A Shares to the Specific Subscribers, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China;
15. To consider and approve the Proposal Regarding the Shareholders' Return Plan of Postal Savings Bank of China for the Next Three Years of 2025-2027;
16. To consider and approve the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers;
17. To consider and approve the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China;
18. To consider and individually approve each of the following items of the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers:
  - (1) The Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and the Ministry of Finance of the People's Republic of China
  - (2) The Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and China Mobile Group
  - (3) The Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and CSSC

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## SUPPLEMENTAL NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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19. To consider and approve the Proposal Regarding Introducing the Strategic Equity Investment of the Ministry of Finance of the People's Republic of China by Postal Savings Bank of China;
20. To consider and approve the Proposal Regarding Introducing China Mobile Group as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent; and
21. To consider and approve the Proposal Regarding Introducing CSSC as a Strategic Investor of Postal Savings Bank of China and Entering into the Strategic Cooperation Agreement with Conditions Precedent.

In the above resolutions, items 9 and 13 to 15 are ordinary resolutions, and items 10 to 12 and 16 to 21 are special resolutions.

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

Beijing, the PRC  
March 30, 2025

*As at the date of this notice, the Board of the Bank comprises Mr. Zheng Guoyu as Chairman of the Board and Non-executive Director; Mr. Liu Jianjun and Ms. Yao Hong as Executive Directors; Mr. Han Wenbo, Mr. Chen Donghao, Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong as Non-executive Directors; Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong and Mr. Hong Xiaoyuan as Independent Non-executive Directors.*

\* *Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

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## SUPPLEMENTAL NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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*Notes:*

1. For details and other relevant matters in relation to other resolutions to be considered at the AGM, please refer to the First Notice and the circular of the Bank dated March 27, 2025.
2. Since the proxy form (the “**First Proxy Form**”) of the Bank published on March 27, 2025 does not contain the additional resolutions as set out in this supplemental notice, a supplemental proxy form (the “**Supplemental Proxy Form**”) containing the above additional resolutions has been prepared and is enclosed herewith. The Supplemental Proxy Form is the form of proxy for the purpose of the additional resolutions set out in this supplemental notice and only serves as a supplement to the First Proxy Form. The Supplemental Proxy Form will not affect the validity of any First Proxy Form completed and returned to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited.
3. For the avoidance of doubt, if you have completed and returned only the First Proxy Form in accordance with the instructions set out therein, the appointed proxy will vote on the resolutions set out in the First Proxy Form per your direction and he/she is entitled to vote or abstain at his/her discretion on the resolutions set out in the Supplemental Proxy Form. Similarly, if you have completed and returned only the Supplemental Proxy Form in accordance with the instructions set out therein, the appointed proxy will vote on the resolutions set out in the Supplemental Proxy Form per your direction and he/she is entitled to vote or abstain at his/her discretion on the resolutions set out in the First Proxy Form. If you wish to provide specific direction to your proxy regarding the voting of both resolutions set out in the First Proxy Form and the Supplemental Proxy Form, you should complete and return both the First Proxy Form and the Supplemental Proxy Form in accordance with the instructions set out therein respectively.
4. For joint holders, only the one whose name stands first in the Register shall be entitled to attend the AGM and vote in respect thereof.
5. Shareholders or their proxies shall present their identity documents when attending the AGM:
  - (1) Legal representatives of legal person Shareholders who attend the meeting shall provide their valid personal identification certificates, valid proof of their capacity as legal representatives and proof of identity as a Shareholder; where the legal representatives delegate others to attend the meeting, proxies of the Shareholder shall provide, in addition to the documents above, their valid personal identification certificates and written form of proxy provided by the legal representatives (including those signed by an authorized person) according to laws. Where the other persons are authorized to attend the meeting by the legal person Shareholders, they shall provide their valid personal identification certificates, resolution of the authorization by the board of directors or other decision-making institution of legal person Shareholders and proof of identity as a Shareholder.
  - (2) Natural person Shareholders who attend the meeting in person shall provide their valid personal identification certificates and proof of identity as a Shareholder; where others are delegated to attend the meeting, proxies of Shareholders shall provide their valid personal identification certificates, the authorization letters from the Shareholders and documents proving their Shareholder identities.
6. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
7. The address of the Bank’s Registered Office is No. 3 Financial Street, Xicheng District, Beijing, PRC.

Tel: 86-10-68858158

Fax: 86-10-68858165



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# NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

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## POSTAL SAVINGS BANK OF CHINA CO., LTD.

### 中國郵政儲蓄銀行股份有限公司

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

**(Stock Code: 1658)**

## NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2024 annual general meeting, 2025 first A shareholders' class meeting and 2025 first H shareholders' class meeting (the "**H Shareholders' Class Meeting**") of Postal Savings Bank of China Co., Ltd. (the "**Bank**") will be held in sequence on-site at Block A, Jinjia Plaza, No. 6 Financial Street, Xicheng District, Beijing at 10:00 a.m. on Thursday, April 17, 2025, among which, to deal with the following matters at H Shareholders' Class Meeting:

### SPECIAL RESOLUTIONS

1. To consider and individually approve each of the following items of the Proposal Regarding the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China:
  - (1) Class and nominal value of securities to be issued
  - (2) Method and time of issuance
  - (3) Amount and use of raised proceeds
  - (4) Target subscribers and subscription method
  - (5) Pricing benchmark date, issue price and pricing principle
  - (6) Number of Shares to be issued
  - (7) Lock-up period of Shares to be issued
  - (8) Listing venue
  - (9) Arrangement of accumulated undistributed profits prior to the completion of the issuance
  - (10) Validity period of the resolution

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## NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

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2. To consider and approve the Proposal Regarding the Demonstration and Analysis Report on the Plan for the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China;
3. To consider and approve the Proposal to the Shareholders' General Meeting to Authorize the Board of Directors and Its Authorized Persons to Handle the Specific Matters Relating to the Issuance of A Shares to the Specific Subscribers;
4. To consider and approve the Proposal Regarding the Related Party Transactions Relating to the Issuance of A Shares to the Specific Subscribers by Postal Savings Bank of China; and
5. To consider and individually approve each of the following items of the Proposal Regarding Entering into the Share Subscription Agreements with Conditions Precedent between Postal Savings Bank of China and the Specific Subscribers:
  - (1) The Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and the Ministry of Finance of the People's Republic of China
  - (2) The Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and China Mobile Group
  - (3) The Proposal Regarding Entering into the Share Subscription Agreement with Conditions Precedent between Postal Savings Bank of China and CSSC

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

Beijing, the PRC  
March 30, 2025

*As at the date of this notice, the Board of the Bank comprises Mr. Zheng Guoyu as Chairman of the Board and Non-executive Director; Mr. Liu Jianjun and Ms. Yao Hong as Executive Directors; Mr. Han Wenbo, Mr. Chen Donghao, Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong as Non-executive Directors; Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong and Mr. Hong Xiaoyuan as Independent Non-executive Directors.*

\* *Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

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## NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. According to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolutions proposed at the H Shareholders' Class Meeting will be voted by poll. After the H Shareholders' Class Meeting, relevant voting results will be published on the website of the Bank as well as the HKEXnews website of Hong Kong Exchanges and Clearing Limited.
2. A Shareholder entitled to attend and vote at the H Shareholders' Class Meeting announced to be convened herein is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a Shareholder of the Bank.
3. The proxy form together with notarized authorization letters of signatories or other authorization documents (if any) shall be invalid unless they are filled out and returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited not less than 24 hours before the time designated for holding the H Shareholders' Class Meeting or any adjournment thereof. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting in person at the H Shareholders' Class Meeting or any adjournment thereof if you so wish.
4. To determine the name list of H Shareholders entitled to attend the H Shareholders' Class Meeting, the Bank will suspend registration of transfer of H Shares from Monday, April 14, 2025 to Thursday, April 17, 2025 (both days inclusive). To attend the H Shareholders' Class Meeting, H Shareholders shall, before 4:30 p.m. on Friday, April 11, 2025, submit the share certificates and share transfer documents to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
5. For joint holders, only the one whose name stands first in the Register shall be entitled to attend the H Shareholders' Class Meeting and vote in respect thereof.
6. Shareholders or their proxies shall present their identity documents when attending the H Shareholders' Class Meeting:
  - (1) Legal representatives of legal person Shareholders who attend the meeting shall provide their valid personal identification certificates, valid proof of their capacity as legal representatives and proof of identity as a Shareholder; where the legal representatives delegate others to attend the meeting, proxies of the Shareholder shall provide, in addition to the documents above, their valid personal identification certificates and written form of proxy provided by the legal representatives (including those signed by an authorized person) according to laws. Where the other persons are authorized to attend the meeting by the legal person Shareholders, they shall provide their valid personal identification certificates, resolution of the authorization by the board of directors or other decision-making institution of legal person Shareholders and proof of identity as a Shareholder.
  - (2) Natural person Shareholders who attend the meeting in person shall provide their valid personal identification certificates and proof of identity as a Shareholder; where others are delegated to attend the meeting, proxies of Shareholders shall provide their valid personal identification certificates, the authorization letters from the Shareholders and documents proving their Shareholder identities.
7. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
8. The address of the Bank's Registered Office is No. 3 Financial Street, Xicheng District, Beijing, PRC.

Tel: 86-10-68858158

Fax: 86-10-68858165

**DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN FOR THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS BY POSTAL SAVINGS BANK OF CHINA**

**SECTION I THE BACKGROUND AND PURPOSE OF THE ISSUANCE**

In October 2023, it was pointed out at the Central Financial Work Conference that “Large state-owned financial institutions should be given support to become better and stronger, acting as the main force to serve the real economy and the ballast to guard financial stability”, and that “Channels for bank capital replenishment need to be broadened”. In July 2024, it was pointed out at the Third Plenary Session of the 20th CPC Central Committee that “Efforts must be made to actively develop technology finance, green finance, inclusive finance, pension finance, and digital finance, and work to ensure quality financial services for major strategies, key fields, and weak links”. In September 2024, the National Financial Regulatory Administration stated at a press conference of the State Council Information Office that “China has planned to increase the core tier 1 capital of the six large commercial banks”. In October 2024, the Ministry of Finance stated at a press conference held by the State Council Information Office that “The MOF, adhering to the principles of marketization and the rule of law as well as the approach of ‘coordinated advancement, phased implementation and tailored strategies’, will actively raise funds through channels, such as issuing special treasury bonds, to prudently and orderly support large state-owned commercial banks in further increasing their core tier 1 capital”. In March 2025, the Government Work Report disclosed that “RMB500 billion of special treasury bonds will be issued to support large state-owned commercial banks in replenishing capital”.

In recent years, the Bank has stayed committed to the general principle of pursuing progress while ensuring stability, focused on the vision of building a first-tier large retail bank, coordinated the advancement of the “five priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, maintained healthy and stable development momentum, and achieved an industry-beating return on equity and maximized shareholders’ returns. In the course of development, the Bank has provided important capital support for its high-quality development through a combination of internal profit retention and external financing, providing a solid foundation for the Bank to fulfill its responsibility as a large state-owned bank and increase its support for the real economy.

In order to implement the major national strategic plans and better serve the development of the real economy, the Bank needs to continue to prospectively replenish core tier 1 capital by using external financing tools reasonably so as to build up its capital strength and improve the capital adequacy. On the one hand, it will meet the needs of stable operation and business development, and provide capital support for the Bank to better fulfill its responsibility as a large state-owned bank and achieve high-quality development; on the other hand, it will enhance the Bank’s risk resilience and credit extension capabilities to cope with the complex and changing market environment and economic situation, and provide a strong guarantee for the Bank to better promote the implementation of strategic plans and serve the development of the real economy. Meanwhile, it promotes sustainable and high-quality growth based on capital replenishment, which is conducive to the Bank’s creation of long-term value and sustained shareholder returns.

**SECTION II NECESSITY FOR THE ISSUANCE OF SHARES  
AND SELECTION OF THE CLASS OF SHARES**

**I. CLASS AND NOMINAL VALUE OF SHARES TO BE ISSUED**

The Shares to be issued under the Issuance are the Bank's domestically listed RMB Ordinary Shares (A Shares) with a nominal value of RMB1.00 per Share.

**II. NECESSITY FOR THE ISSUANCE OF SHARES AND SELECTION OF THE  
CLASS OF SHARES**

**(I) To Further Enhance the Ability to Serve the Real Economy**

After deducting relevant issuance fees, the proceeds raised from the Issuance will be fully used for replenishing the core tier 1 capital and enhancing the core tier 1 capital adequacy ratio of the Bank, which is of great significance in enhancing the Bank's capabilities for sound business development, risk resistance and credit extension to better support the development of the real economy.

**(II) To Align With the Bank's Business Development Plan**

The Bank focused on future development objectives and tasks, comprehensively strengthened coordinated management of business operations, achieved an effective balance among scale growth, structural optimization, stability of earnings, risk prevention and control, and maintained momentum for steady growth. Firstly, profitability remained stable. Secondly, the Bank achieved a balance among scale, price and risks as well as structural optimization of its assets and liabilities. Thirdly, risk control was precise and effective. Fourthly, market influence was further enhanced. The Issuance, which will provide sufficient capital basis for the sustainable development of the Bank, is in line with the Bank's business development plan.

**(III) To Issue Shares to the Specific Subscribers to Raise Proceeds, Being the Optimal  
Financing Method for the Bank at Present**

The issuance of shares to the specific subscribers is characterized by high financing efficiency, and the proceeds will be directly used to replenish core tier 1 capital once available. It is an important capital replenishment approach for commercial banks. The Issuance will promptly replenish the Bank's core tier 1 capital, which will help enhance the Bank's capital adequacy ratios, improve its risk resistance capacity as well as the quality and effectiveness of serving the real economy, and safeguard the realization of its strategic plan. Therefore, the Issuance conforms to the Bank's actual needs for future business development and capital replenishment and is the most suitable capital replenishment approach for the Bank at this stage.

**SECTION III APPROPRIATENESS OF THE SCOPE, NUMBER  
AND CRITERIA FOR THE SELECTION OF THE TARGET SUBSCRIBERS**

**I. APPROPRIATENESS OF THE SCOPE FOR THE SELECTION OF THE TARGET  
SUBSCRIBERS**

The target subscribers under the Issuance are the Ministry of Finance, China Mobile Group and CSSC. The target subscribers intend to subscribe for A Shares to be issued in cash. The scope for the selection of the target subscribers under the Issuance complies with the provisions of Articles 55, 57 and 58 of the Administrative Measures for the Registration and other relevant laws, regulations and normative documents, and the scope for the selection is appropriate.

**II. APPROPRIATENESS OF THE NUMBER OF TARGET SUBSCRIBERS**

The specific subscribers for the A Shares under the Issuance shall be the Ministry of Finance, China Mobile Group and CSSC, a total of 3 target subscribers, which is in compliance with the requirements of not exceeding 35 target subscribers under the provisions of the CSRC and other securities regulatory authorities, and the number of target subscribers is appropriate.

**III. APPROPRIATENESS OF THE CRITERIA FOR THE SELECTION OF THE  
TARGET SUBSCRIBERS**

The target subscribers under the Issuance, who are qualified specific subscribers under the requirements of the CSRC, have appropriate abilities to identify and bear risks, and have corresponding capital strength. The criteria for the selection of the target subscribers comply with the provisions of the Administrative Measures for the Registration and other relevant laws, regulations and normative documents, and the criteria for the selection of target subscribers are appropriate.

In view of the above, the scope, number and criteria for the selection of the target subscribers are reasonable and in compliance with the requirements of relevant laws and regulations.

**SECTION IV RATIONALITY OF THE PRINCIPLES, BASIS, METHODS  
AND PROCEDURES FOR THE PRICING OF THE ISSUANCE**

**I. PRINCIPLES AND BASIS FOR THE PRICING OF THE ISSUANCE**

According to Article 56 of the Administrative Measures for the Registration, “When a listed company issues shares to specific subscribers, the issue price shall be no less than 80% of the average price of the company’s shares for the 20 trading days prior to the pricing benchmark date...”; according to Article 57, “... When the board of directors of a listed company resolves to determine all the target subscribers in advance, and if the target subscriber falls within any of the following circumstances, the pricing benchmark date can be the

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**APPENDIX I DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN FOR THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS**

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announcement date of the resolution of the board of directors, the announcement date of the resolution of the shareholders' general meeting or the first day of the issue period regarding the issuance of shares: ... (III) the domestic or foreign strategic investor(s) to be introduced by the board of directors”.

The target subscribers under the Issuance are the MOF, China Mobile Group and CSSC, which is in line with the provisions of paragraph 2 of Article 57 of the Administrative Measures for the Registration. The pricing benchmark date of the Issuance is the date of announcement of the resolution of the fourth meeting of the Board of the Bank in 2025. The issue price of the Issuance is RMB6.32 per Share, which is not less than 80% of the average trading price (rounded up to the nearest two decimal places using the ceiling method) of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date (excluding the pricing benchmark date, the same below). The average trading price of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date is equal to the total trading value of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date divided by the total trading volume of the A Shares of the Bank for the 20 trading days preceding the pricing benchmark date. In the event that there are ex-rights or ex-dividend activities causing adjustment to the share prices during the 20 trading days, the trading prices for the trading days before such adjustment shall be calculated based on the adjusted prices caused by the ex-rights or ex-dividend activities.

In cases of ex-rights and ex-dividend matters for the A Shares of the Bank such as bonus issue, conversion of capital reserve into share capital, and distribution of cash dividends during the period from the date of announcement of the Board resolution considering the Issuance to the date of issuance, the issue price of the Issuance will be adjusted accordingly in the following manner:

- (1) Distribution of cash dividends:  $P1=P0-D$
- (2) Bonus issue or conversion of capital reserve into share capital:  $P1=P0/(1+N)$
- (3) The above two events occurring concurrently:  $P1=(P0-D)/(1+N)$

Where  $P1$  denotes the issue price after adjustment,  $P0$  denotes the issue price before adjustment,  $D$  denotes the cash dividend per share, and  $N$  denotes the number of bonus shares issued per share or number of shares converted from capital reserve into share capital.

If, between the pricing benchmark date and the date of issuance, any policy adjustments are made to matters such as the issue price or pricing method under relevant laws, regulations, regulatory documents, or by the CSRC that are applicable to the Issuance, the issue price per share under the Issuance will be adjusted accordingly.

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**APPENDIX I DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN FOR  
THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS**

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The pricing principles and basis of the Issuance are in line with the provisions of the Administrative Measures for the Registration and other relevant laws, regulations and normative documents, and the pricing principles and basis of the Issuance are reasonable.

**II. METHODS AND PROCEDURES FOR THE PRICING OF THE ISSUANCE**

The Bank has held a Board meeting to consider the pricing methods and procedures for the Issuance and disclosed the relevant announcements on the website of the SSE and through information disclosure media which are qualified under the requirements stipulated by the CSRC. Such pricing methods and procedures, which will be submitted to the Bank's general meeting for consideration, shall be subject to the approval by the National Financial Regulatory Administration, the review and approval by the SSE and the decision on the registration made by the CSRC prior to the implementation thereof. The pricing methods and procedures for the Issuance are in compliance with the provisions of the Administrative Measures for the Registration and other relevant laws, regulations and normative documents, and the pricing methods and procedures for the Issuance are reasonable.



**SECTION V FEASIBILITY OF THE ISSUANCE METHOD**

**I. THE ISSUANCE COMPLIES WITH THE CONDITIONS OF ISSUANCE AS STIPULATED IN THE SECURITIES LAW**

1. The Issuance of Shares to the specific subscribers is not conducted through advertisement, public inducement or other disguised public manners, and complies with the provisions of Article 9 of the Securities Law.
2. The Issuance of Shares to the specific subscribers complies with the issuance conditions stipulated by the CSRC and the provisions of Article 12 of the Securities Law.

**II. THE ISSUANCE COMPLIES WITH THE RELEVANT PROVISIONS OF THE ADMINISTRATIVE MEASURES FOR THE REGISTRATION**

**(I) There are No Circumstances Precluding the Issuance of Shares to the Specific Subscribers as Prescribed in Article 11 of the Administrative Measures for the Registration**

1. The use of previously raised proceeds has been willfully altered without rectification or without the approval from Shareholders at the general meeting;
2. The preparation and disclosure of financial statements for the most recent year do not comply with the Accounting Standards for Business Enterprises or relevant information disclosure rules in material respects; an audit report with adverse opinions or disclaimer of opinion is issued for the financial statements for the most recent year; or an audit report with qualified opinions is issued for the financial statements for the most recent year, and the material adverse impact of the matters involved in the qualified opinion on the listed company has not been eliminated, except when the Issuance involves a major asset restructuring;
3. The incumbent directors and senior management have been subject to administrative penalties imposed upon by the CSRC within the most recent three years or have been publicly condemned by the stock exchange within the most recent year;
4. The listed company or its incumbent directors and senior management are under official investigation by the judicial authority for any suspected crime or by the CSRC for any suspected violation of laws and regulations;
5. The controlling shareholder or de facto controller commits a major illegal act that seriously harms the interests of the listed company or investors' legitimate rights and interests in the most recent three years;
6. There is any major illegal act that seriously harms investors' legitimate rights and interests or public interests in the most recent three years.

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**APPENDIX I DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN FOR  
THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS**

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**(II) The Use of Proceeds Raised from the Issuance Complies with the Provisions of Article 12 of the Administrative Measures for the Registration**

1. The use of proceeds raised shall comply with the provisions of the national industrial policies, and laws and administrative regulations on environmental protection and land management;
2. Except for financial enterprises, the proceeds raised shall not be used for holding financial investments, nor be directly or indirectly invested in companies whose principal businesses are the purchase and sale of securities;
3. After the implementation of the projects for which the proceeds are raised, there will be no related party transactions that constitute horizontal competition with and are evidently unfair to the controlling shareholder, de facto controller and other enterprises under their control, or that seriously affect the independence of the company's production and business operation.

**(III) The Target Subscribers Comply with the Provisions of Articles 55 and 58 of the Administrative Measures for the Registration**

Article 55 of the Administrative Measures for the Registration stipulates that, "Where a listed company issues securities to specific subscribers, the subscribers shall meet the conditions as stipulated in the resolution of the shareholders' general meeting, and the number of subscribers shall not exceed 35 at a time. Where the target subscriber is an overseas strategic investor, it shall comply with the relevant national regulations". Article 58 of the Administrative Measures for the Registration stipulates that, "Where the subscriber under the issuance of shares to specific subscribers falls within the circumstances other than those provided for in paragraph 2 of Article 57 of the Measures, the listed company shall determine the issue price and the target subscriber by bidding".

The target subscribers are the Ministry of Finance, China Mobile Group and CSSC, the number of which is no more than 35, and this falls under the circumstances as stipulated in paragraph 2 of Article 57 of the Administrative Measures for the Registration, which is in line with the provisions of Articles 55 and 58 of the Administrative Measures for the Registration.

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**APPENDIX I DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN FOR  
THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS**

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**(IV) The Issue Price Complies with the Provisions of Articles 56 and 57 of the Administrative Measures for the Registration**

Articles 56 and 57 of the Administrative Measures for the Registration stipulate that,

“Article 56 When a listed company issues shares to specific subscribers, the issue price shall be no less than 80% of the average price of the company’s shares for the 20 trading days prior to the pricing benchmark date. The ‘pricing benchmark date’ as mentioned in the preceding paragraph refers to the benchmark date for calculating the base price of the issuance.

Article 57 The pricing benchmark date of the issuance of shares to specific subscribers will be the first day of the issue period. A listed company shall issue shares at a price not lower than the base price of the issuance.

When the board of directors of a listed company resolves to determine all the target subscribers in advance, and if the target subscriber falls within any of the following circumstances, the pricing benchmark date can be the announcement date of the resolution of the board of directors, the announcement date of the resolution of the shareholders’ general meeting or the first day of the issue period regarding the issuance of shares:

- (I) the controlling shareholder of the listed company, the de facto controller or its controlled associates of the listed company;
- (II) the investors who obtain the de facto control of the listed company by subscribing for the shares under the issuance;
- (III) the domestic or foreign strategic investor(s) to be introduced by the board of directors.”

The pricing benchmark date of the Issuance shall be the announcement date of the resolution of the Board. The issue price of the Issuance shall be no less than 80% of the average trading price of the Bank’s A Shares in the 20 trading days preceding the pricing benchmark date. The issue price complies with the provisions of Articles 56 and 57 of the Administrative Measures for the Registration.

**(V) Lock-up Period of the Issuance Complies with the Provisions of Article 59 of the Administrative Measures for the Registration**

Article 59 of the Administrative Measures for the Registration stipulates that, “Shares issued to specific subscribers may not be transferred within 6 months from the closing date of the issuance. In the event that the target subscriber falls under the circumstances set forth in paragraph 2 of Article 57 of the Measures, the shares subscribed for by it shall not be transferred within 18 months from the closing date of the issuance”.

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## **APPENDIX I DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN FOR THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS**

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The Shares subscribed for by the Ministry of Finance, China Mobile Group and CSSC under the Issuance shall not be transferred within five years from the date on which they obtain the equity interests respectively, which is in line with the provisions of Article 59 of the Administrative Measures for the Registration.

### **(VI) The Issuance Plan Complies with the Provisions of Article 66 of the Administrative Measures for the Registration**

Article 66 of the Administrative Measures for the Registration stipulates that, “When issuing securities to specific subscribers, the listed company and its controlling shareholders, de facto controllers and major shareholders shall not harm the interests of the company by making a promise of guaranteed return or disguised guaranteed return to the target subscribers, or by providing financial assistance or other compensation to the target subscribers directly or through interested parties”.

In respect of the Issuance, the Bank did not harm the interests of the Bank by making a promise of guaranteed return or disguised guaranteed return to the target subscribers, or by providing financial assistance or other compensation to the target subscribers directly or through interested parties, which is in line with the provisions of Article 66 of the Administrative Measures for the Registration.

### **(VII) The Impact of the Issuance on Controlling Right Complies with the Provisions of Article 87 of the Administrative Measures for the Registration**

Article 87 of the Administrative Measures for the Registration stipulates that, “If the issuance of shares to specific subscribers by a listed company will result in a change in the control of the listed company, it shall also comply with other requirements of the CSRC”.

The Issuance will not result in any changes in the control of the listed company, which is in line with the provisions of Article 87 of the Administrative Measures for the Registration.

## **III. THE ISSUANCE COMPLIES WITH THE RELEVANT PROVISIONS OF APPLICABLE OPINIONS NO. 18**

### **(I) The Financing Scale of the Issuance Complies with the Provisions of Applicable Opinions No. 18**

“IV. Understanding and Application of Article 40 ‘Rational Financing and Reasonable Determination of Financing Scale’” stated in the Applicable Opinions No. 18 stipulates that, “If a listed company applies for an issuance of shares to a specific subscriber, the number of shares to be issued shall in principle not exceed 30% of the total share capital before the issuance.”

The number of A Shares issued to the specific subscribers is 20,569,620,252 Shares, which shall not exceed 30% of the total share capital of the Bank before the Issuance, and it is in compliance with the relevant regulations.

**(II) The Time Interval of the Issuance Complies with the Provisions of Applicable Opinions No. 18**

“IV. Understanding and Application of Article 40 ‘Rational Financing and Reasonable Determination of Financing Scale’” stated in the Applicable Opinions No. 18 stipulates that, “if a listed company applies for additional issuance, rights issue, or issuance of shares to specific subscribers, the resolution date of the board of directors for the issuance shall in principle be no less than 18 months from the date of the receipt of proceeds previously raised. If proceeds previously raised have been basically used up or if the use of proceeds raised did not change and the proceeds raised have been invested as planned, the corresponding interval shall in principle be no less than six months.”

The date of the receipt of proceeds previously raised was March 22, 2023. The resolution date of the Board for the Issuance is more than 18 months from the date of the receipt of proceeds previously raised by the Bank, which is in line with the requirements of time interval.

**(III) The Use of Proceeds of the Issuance Complies with the Provisions of Applicable Opinions No. 18**

“V. Understanding and Application of Article 40 ‘Mainly Investing in the Main Business’ Regarding the Application of Proceeds Raised to Replenish Liquidity and Repay Loans” stated in the Applicable Opinions No. 18 stipulates that, “Financial enterprises can use all the proceeds raised to replenish their capital.”

The Bank is a large state-owned commercial bank. After deducting relevant issuance fees, the proceeds raised from the Issuance will be fully used to replenish the core tier 1 capital of the Bank, which is in line with relevant requirements.

**IV. THE BANK DOES NOT FALL WITHIN THE SCOPE OF ENTERPRISES SUBJECT TO PUNISHMENT UNDER THE MEMORANDUM OF COOPERATION ON THE IMPLEMENTATION OF JOINT DISCIPLINARY MEASURES AGAINST DISHONEST ENTITIES SUBJECT TO ENFORCEMENT AND THE MEMORANDUM OF COOPERATION ON THE IMPLEMENTATION OF JOINT DISCIPLINARY MEASURES AGAINST DISHONEST ENTERPRISES IDENTIFIED BY CUSTOMS, AND IS NOT A GENERAL DISHONEST ENTERPRISE OR A DISHONEST ENTERPRISE IDENTIFIED BY CUSTOMS**

Upon inspection, the Bank does not fall within the scope of enterprises subject to punishment under the Memorandum of Cooperation on the Implementation of Joint Disciplinary Measures Against Dishonest Entities Subject to Enforcement and the Memorandum of Cooperation on the Implementation of Joint Disciplinary Measures Against Dishonest Enterprises Identified by Customs, and is not a general dishonest enterprise or a dishonest enterprise identified by customs.

**V. THE PROCEDURES OF THE ISSUANCE ARE IN COMPLIANCE WITH LAWS  
AND REGULATIONS**

The Issuance Plan has been considered and approved at the fourth meeting of the Board of the Bank for 2025, the resolution of the Board and related documents have been disclosed on the website of the SSE and on the designated information disclosure media, and the necessary review and information disclosure procedures have been performed.

The Issuance is subject to the approval of Shareholders at the general meeting of the Bank, the approval by the National Financial Regulatory Administration, the review and approval by the SSE and the decision on the registration made by the CSRC prior to the implementation thereof. After obtaining the consent of the CSRC for registration, the Bank will apply to the SSE and CSDCC Shanghai Branch for the issuance, registration and listing of Shares in accordance with the laws.

In view of the above, the Issuance complies with the relevant provisions of laws and regulations. The issuance method also meets the requirements of relevant laws and regulations, and the review procedures and issuance method are in compliance with laws and regulations and are feasible.

**SECTION VI FAIRNESS AND REASONABLENESS OF THE ISSUANCE PLAN**

The Issuance Plan has been considered and approved by the Board after taking into account the current industry situation and future development trend of the Bank as well as the development strategy of the Bank. The Issuance will effectively replenish the core tier 1 capital of the Bank, which is of great significance for maintaining the Bank's steady development of future business, enhancing its profitability and risk resistance capability, and providing better support to the development of the real economy.

The Issuance Plan and related documents are disclosed on the website of the SSE and on the designated information disclosure media, which ensures the right of all Shareholders to be informed. The Bank will hold the Shareholders' general meeting to review the relevant resolutions on the Issuance. Shareholders except those who have connected relationship with the Issuance and need to abstain from voting, may vote on the relevant resolutions on the Issuance. The matters related to the Issuance will be resolved at the Shareholders' general meeting and shall be passed by more than two-thirds of the voting rights held by Shareholders attending the meeting, and the votes of minority investors shall be counted separately. Shareholders of the Bank may exercise their rights through on-site or online voting.

In view of the above, the Issuance Plan is fair and reasonable and in the interests of all Shareholders without damaging the interests of the Bank and its Shareholders, especially minority Shareholders.

**SECTION VII IMPACT OF THE ISSUANCE OF SHARES TO THE SPECIFIC  
SUBSCRIBERS ON THE DILUTION OF IMMEDIATE RETURNS, REMEDIAL  
MEASURES TAKEN AND RELEVANT COMMITMENTS**

According to the relevant requirements set out in the Several Opinions of the State Council on Strengthening Regulation, Forestalling Risks and Promoting the High-Quality Development of the Capital Market, the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market and the Guiding Opinions on Matters Concerning the Dilution of Immediate Returns in Initial Public Offering, Refinancing and Material Asset Restructuring issued by the CSRC, the Bank has analyzed the impact of the Issuance on the dilution of immediate returns and proposed the relevant measures to remedy the diluted immediate returns based on the actual situation. Specific details are set out in Dilution of Immediate Returns by the Issuance of A Shares to the Specific Subscribers, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China Co., Ltd., which is the appendix to the Proposal Regarding the Dilution of Immediate Returns by the Issuance of A Shares to the Specific Subscribers, Remedial Measures and the Commitments of Related Entities of Postal Savings Bank of China.

**SECTION VIII CONCLUSION**

In view of the above, it is necessary and feasible for the Bank to issue A Shares to specific subscribers. The Issuance Plan is fair and reasonable, and complies with the requirements of relevant laws and regulations. The implementation of the Issuance Plan will be conducive to further improving the Bank's sustainable profitability, comprehensive competitiveness and the quality and efficiency of serving the real economy, which is in line with the Bank's development strategy and in the interests of the Bank and all Shareholders.

**FEASIBILITY REPORT ON THE USE OF PROCEEDS RAISED FROM  
THE ISSUANCE OF A SHARES BY POSTAL SAVINGS BANK OF CHINA  
TO SPECIFIC SUBSCRIBERS**

In order to implement the arrangements and requirements of the Central Committee of the Communist Party of China (CPC) and the State Council on the capital injection to large state-owned commercial banks, further consolidate and improve their capabilities for robust operation and development, and better undertake important tasks of supporting high-quality development of the economy and implementing the “five priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance initiative in the financial sector, the Bank needs to make reasonable use of external financing instruments to replenish its core tier 1 capital, so as to further enhance its capital strength, improve capital adequacy level, meet the requirements of stable operation and business development, and provide capital support for the Bank to better fulfill its responsibilities as a large state-owned bank and achieve high-quality development. Meanwhile, the Bank also needs to improve risk resistance capability and credit extension capability to cope with the complex and changing market environment and economic situations, and provide strong guarantee for the Bank to better promote the implementation of strategic planning and serve the development of the real economy.

In accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Registration, the Applicable Opinions No. 18 and other related laws, administrative regulations and normative documents, the Bank proposes to issue A shares to the MOF, China Mobile Group and CSSC, with the total amount of raised proceeds of RMB130 billion, which will be fully used to supplement the core tier 1 capital of the Bank after deducting the relevant issuance fees so as to support future business development. The feasibility report on the use of proceeds from the Issuance is as follows.

**I. USE OF THE PROCEEDS FROM THE ISSUANCE**

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

**II. NECESSITY OF THE ISSUANCE**

The Issuance, as an important part of “a package of incremental policies” of the state, will effectively replenish the core tier 1 capital of the Bank, which is of great significance for ensuring the sustainable and steady business development of the Bank, enhancing its profitability and risk resistance capability, and providing better support for the development of the real economy.



**(I) Implementing national strategic plans and fulfilling the responsibility as a major bank**

Large state-owned commercial banks are the main force in serving the real economy and the ballast for maintaining financial stability. Capital is the foundation for the sustainable and stable operation of large state-owned commercial banks. Replenishing the core tier 1 capital of large state-owned commercial banks is an important incremental policy for the implementation of counter-cyclical macroeconomic regulation, which has the policy effect of producing multiple effects in promoting high-quality economic development and safeguarding financial security. The Bank resolutely implements the requirements and plans of the CPC Central Committee and the State Council on the capital injection, firmly fulfills the economic, political and social responsibilities of large state-owned banks, upholds the political and people-oriented approach of financial work, and presses ahead with “five priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance. The Bank strives to be a first-tier large retail bank which is trustworthy, distinctive, prudent, safe, innovative, and with remarkable value.

**(II) Increasing the level of capital adequacy to promote the high-quality development of the Bank**

In order to continue to serve the real economy, the Bank has been stepping up its capital constraint, and replenishing its capital by different ways such as retaining profits, introducing strategic investors, listing as well as issuing capital bonds and preference shares. As at the end of 2024, the Bank’s core tier 1 capital adequacy ratio was 9.56%, which was higher than the regulatory requirement. The Issuance will further improve the capital adequacy level, help the Bank to optimize core business and professional expertise, and enhance its ability to serve the real economy. Centering on its core advantages, the Bank will continue to improve its core competencies to create differentiated competitive advantages in Sannong finance, SME finance, proactive credit extension, wealth management and financial market business, so as to promote high-quality development.

**(III) Enhancing the momentum of business development and strengthening the risk resistance capabilities**

In recent years, the Bank thoroughly implemented the national strategy, continuously improved the quality and efficiency of serving the real economy, adhered to the customer-centric approach, focused on creating value for customers, and continuously improved the online and offline interconnected and integrated financial service system to provide its customers with high-quality, convenient and efficient integrated financial services. At the same time, the Bank adhered to the risk-based approach, upheld prudent and stable risk preferences, and improved the risk management and control system covering “all aspects, whole process, all time and all places”, so as to enhance the leading role of risk management on all fronts. The Issuance will further help the Bank enhance risk resistance capabilities and better act as the ballast to safeguard financial stability, thereby ensuring that no systemic risks arise.

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## APPENDIX II FEASIBILITY REPORT ON THE USE OF PROCEEDS RAISED FROM THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS

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In conclusion, the Issuance will effectively replenish the Bank's core tier 1 capital, and is of great significance for improving the Bank's capabilities for robust operation and development, risk resistance and credit extension, so as to better support the development of the real economy.

### III. FEASIBILITY OF THE ISSUANCE

In accordance with relevant laws and administrative regulations and the business development of the Bank, the Issuance meets conditions of issuance with full feasibility. The Bank will take the Issuance as an opportunity to thoroughly implement the spirit of the 20th CPC National Congress and all previous plenary sessions, implement the arrangements and requirements of the Central Financial Work Conference and the Central Economic Work Conference, vigorously and steadily implement various reform tasks, advance the strategic upgrading, reform and innovation, improve the quality of risk control, and effectively enhance the abilities of serving the real economy and risk prevention and control capability. The Bank will adopt the following measures to implement strategic goals, consolidate existing strengths, shore up weak spots, and forge new capabilities, promote high-quality development, and ensure the rational and efficient use of raised proceeds.

#### (I) **Optimizing the development focus and operation layout to provide high-quality financial services for the real economy**

The Bank will firmly grasp the responsibilities, missions and functions of a large state-owned bank, adhere to the positioning of serving Sannong, urban and rural residents and small and medium-sized enterprises, and make solid efforts in "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance. Firstly, the Bank will facilitate urban-rural integration and serve as the main force in rural revitalization. The Bank will adhere to the main task of collaboration between China Post Group and the Bank, deepen the cultivation of the five major customer groups of villages, cooperatives, farmers, agricultural enterprises and rural supermarkets, strengthen the three key pillars of operation, team and risk management, and implement the "Initiative of Building Strong Communities and Wealthy Towns" initiative to create a distinctive Sannong financial model that integrates online and offline services, is highly efficient and with low cost and controllable risks. Secondly, the Bank will promote common prosperity and aim to become a benchmark bank of inclusive finance. The Bank will promote the expansion of inclusive finance, improve its quality and efficiency, strengthen customer outreach through multiple channels, deepen the transformation of digital, intelligent and inclusive services, and establish inclusive finance as its greatest feature and advantage. Thirdly, the Bank will contribute to the building of technology-powered nation and serve as an emerging force in technology finance. The Bank will firmly stay on the right track towards building a strong science and technology country, develop exclusive products, optimize exclusive policies, refine exclusive models, build a strong service system, and facilitate the virtuous cycle of "technology-industry-finance". Fourthly, the Bank will assist in implementing the national strategy to actively address the aging population, establish itself as a heartwarming elderly care bank offering long-term companion to customers, and play a crucial role as an important service bank for national pension finance. The Bank will comprehensively build a three-dimensional pension finance system of "three horizontals and three verticals", targeting the three main groups, namely the pre-retirement people, the elderly,

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## APPENDIX II FEASIBILITY REPORT ON THE USE OF PROCEEDS RAISED FROM THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS

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and families. The Bank will deeply explore the three major areas of pension finance, elderly care service finance and elderly care industry finance. Fifthly, the Bank will boost comprehensive green transformation and act as a pioneer in green finance. It will vigorously develop sustainable finance, green finance and climate financing, and deepen the construction of a green and inclusive bank, climate-friendly bank and eco-friendly bank. Sixthly, the Bank will exert its efforts in digital finance to build a digital ecosystem-based bank. The Bank will consolidate the foundation of digital finance including technology, ecology and data, and promote the digitalization of operation management, service operation, product business, ecological scenarios and risk prevention and control, so as to create value and improve service quality through the Bank's digital transformation.

### **(II) Enhancing the endogenous ability to accumulate capital and improving the management mechanism for high-quality development**

The Bank will continue to adhere to its refined capital management, adhere to scientific capital planning, and continue to improve capital constraints, allocation and conservation mechanisms. Firstly, the Bank will continue to optimize its asset structure through balanced quality development in terms of business volume, prices and risks. Abandoning the “scale complex”, the Bank will set reasonable and appropriate asset growth targets and accelerate the transformation towards a high-quality development mode of capital conservation and efficient use. Secondly, the Bank will formulate scientific plans to strengthen capital constraints. The Bank will insist on formulating capital planning on an annual rolling basis, coordinating the sources and utilization of capital, specifying the total amount of constraints and phased deployment, and establishing a multi-level and multi-dimensional capital constraint system under the leadership of capital planning to guide the growth rate of risk-weighted assets in an orderly manner, and at the same time, setting up a three-dimensional capital monitoring system and an emergency management mechanism to ensure the stable operation of capital. Thirdly, the Bank will take measures to practice strict capital conservation and promote the intensive use of capital. The Bank will establish a long-term capital conservation mechanism in line with the new capital regulations, continue to strictly control the use of inefficient capital, revitalize existing resources, and intensify the efforts in assessment and supervision to achieve capital conservation. Fourthly, the Bank will promote the implementation of advanced approaches and enhance the level of risk management. The Bank will continue to improve its comprehensive risk management system, accelerate the implementation and application of the advanced approaches for capital measurement, and establish a sound governance structure, policy processes and data IT system based on quantitative risk management, so as to form a virtuous cycle of “construction-application-optimization”.

### **(III) Emphasizing unique operation and building five differentiated growth poles**

The Bank will adhere to serving the real economy and building differentiated competitive advantages. Firstly, relying on its model featuring directly-operated outlets and agency outlets, the Bank will place Sannong finance in a prominent position, continuously optimize the coordination mechanism between China Post Group and the Bank, comprehensively improve rural financial service capabilities, and improve the efficiency of agricultural financial services. Secondly, the Bank will accelerate the development of modern corporate finance and deepen “SME finance”. It will strengthen high-quality financial services to major strategies,

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## APPENDIX II      FEASIBILITY REPORT ON THE USE OF PROCEEDS RAISED FROM THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS

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key areas and weak links, and comprehensively deepen the new “1 plus N” system of corporate finance to enhance financial service capability for county-level and micro, small, and medium-sized corporate customers, promoting integrated urban-rural development. Thirdly, the Bank will innovate the credit model and scale up the “proactive credit extension”. It will strengthen list expansion and exploration, optimize three-dimensional multi-channel collaborative marketing, optimize product design, and improve the full-process intelligent approval and post-loan management system. Fourthly, the Bank will improve wealth management capability and strengthen “wealth finance”. It will deepen customer management, form “online and offline” wealth management services covering all customer groups, and build three core safeguards of “professional product team + long-term investment research system + agile risk control mechanism”. Fifthly, the Bank will accelerate trading transformation and improve the “interbank ecosystem”. It will continue to optimize the business structure, accelerate trading transformation, improve operational efficiency, promote innovation in trading tools, trading strategies, and trading models, continuously enrich PSBC “Together We Thrive” interbank ecosystem platform, and build a comprehensive business layout.

### **(IV) Strengthening risk prevention and control capabilities and laying a solid foundation for high-quality development**

The Bank will firmly implement the decisions and plans of the CPC Central Committee and regulatory requirements, with “early action” and “stringent standards” as the main tasks of emphasis, prudently assess and analyze the risk trends, increase the risk containment and resolution in key areas, strengthen the foundation of internal control and compliance management, and endeavor to build up a more proactive risk management capability. Firstly, the Bank will continue to improve its comprehensive risk management system covering “all aspects, whole process, all time and all places”. Adhering to the requirement of prudent and steady risk appetite and aiming for a long-term balance between stable growth and risk prevention, the Bank will improve its risk identification, measurement, assessment, monitoring and reporting mechanisms. Secondly, the Bank will improve the credit risk control mechanism to maintain stable and controllable asset quality. The Bank will improve list management at the entry end, strengthen checks and balances in the credit-granting process, carry out all-round post-loan monitoring and early warning, and strengthen the multi-dimensional control model. Thirdly, the Bank will step up efforts on prevention, control and mitigation of risks in key areas, and properly coordinate the relationship between the foresight and effectiveness of risk management and the needs of business development, so as to ensure the overall risk level is under control and guide the stable operation and high-quality development of each business. Fourthly, the Bank will strengthen the construction of internal control and compliance systems, and improve the construction of compliance systems, internal control systems, supervision and inspection mechanisms, case review and discussion and anti-money laundering management systems, and keep a good watch on the construction of systems and compliance audits.

#### **IV. IMPACTS OF THE ISSUANCE ON THE BANK'S OPERATION, MANAGEMENT AND FINANCIAL CONDITION**

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

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

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

##### **(II) Impacts on financial position and profitability**

Upon the completion of the Issuance, the Bank's total share capital and net assets will increase, and it is expected that the Bank's total assets will also increase. In the short term, the increase in total share capital and net assets will lead to a decline in indicators including the Bank's net assets per share and return on net assets to a certain extent. However, with the effective use of raised proceeds upon they are in place, the Bank's operating results and retained profits will increase, and the Bank's net assets per share and asset size will be continuously enhanced. In addition, the Issuance will help to increase the Bank's capital base, lay a capital foundation for the stable and sustainable development of its business, and promote the further business expansion of the Bank, enhancing its profitability and overall competitiveness.

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

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

#### **V. CONCLUSION**

The proceeds raised from the Issuance will be used to supplement the core tier 1 capital of the Bank, which complies with relevant laws and administrative regulations and conforms to the Bank's long-term development strategy. The Issuance will help the Bank enhance the ability to serve the real economy, improve endogenous capital accumulation ability, strengthen risk prevention and control capability, and promote high-quality development. At the same time, the Bank will take effective measures to promote business development, implement strategic goals, and improve the Bank's sustainable development capability and shareholders' value in the medium and long term through rational use of raised proceeds. Therefore, the Issuance is necessary and feasible.

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

Pursuant to the Guidelines for the Application of Regulatory Rules – Issuance No. 7 issued by the CSRC, the use of the proceeds raised from the Bank’s non-public issuance of A Shares in March 2021 and the non-public issuance of A Shares in March 2023 (the “**Previously Raised Proceeds**”) as of December 31, 2024 is reported as follows:

**I. RAISING AND DEPOSITING OF PREVIOUSLY RAISED PROCEEDS****(I) Amount of the Previously Raised Proceeds and Date of Proceeds Receipt**

As approved by the Reply by the CBIRC on the Non-public Offering of A Shares by the Postal Savings Bank of China Co., Ltd. (Yin Bao Jian Fu [2021] No. 17) issued by the former China Banking and Insurance Regulatory Commission (now known as the National Financial Regulatory Administration) and the Approval of the Non-public Offering of Shares by Postal Savings Bank of China Co., Ltd. (Zheng Jian Xu Ke [2021] No. 751) issued by the CSRC, the Bank completed the non-public offering of 5,405,405,405 Ordinary Shares (A Shares) Denominated in RMB in March 2021. The total proceeds raised from the non-public issuance of Ordinary Shares (A Shares) Denominated in RMB were RMB29,999,999,997.75, and the net proceeds raised were RMB29,985,915,537.24 after deducting issuance expenses (excluding value-added tax). The proceeds have been remitted to the special account for the non-public issuance of Ordinary Shares (A Shares) Denominated in RMB opened by the Bank on March 17, 2021 with the account number 911004010001621658. PricewaterhouseCoopers Zhong Tian LLP has verified the actual receipt of aforesaid proceeds raised and issued the Report on the Capital Verification of Proceeds from the Non-public Offering of Ordinary Shares (A Shares) Denominated in RMB by Postal Savings Bank of China Co., Ltd. (PricewaterhouseCoopers Zhong Tian Yan Zi (2021) No. 0316).

As approved by the Reply by the CBIRC on the Non-public Offering of A Shares by the Postal Savings Bank of China Co., Ltd. (Yin Bao Jian Fu [2022] No. 845) issued by the former China Banking and Insurance Regulatory Commission (now known as the National Financial Regulatory Administration) and the Approval of the Non-public Offering of Shares by Postal Savings Bank of China Co., Ltd. (Zheng Jian Xu Ke [2023] No. 340) issued by the CSRC, the Bank completed the non-public offering of 6,777,108,433 Ordinary Shares (A Shares) Denominated in RMB in March 2023. The total proceeds raised from the Issuance of Ordinary Shares (A Shares) Denominated in RMB were RMB44,999,999,995.12, and the net proceeds raised were RMB44,980,159,019.96 after deducting issuance expenses (excluding value-added tax). The proceeds have been remitted to the special account for the non-public issuance of Ordinary Shares (A Shares) Denominated in RMB opened by the Bank on March 22, 2023 with the account number 911009010003081658. Deloitte Touche Tohmatsu Certified Public Accountants LLP has verified the actual receipt of the aforesaid proceeds raised and issued the Report on the Capital Verification of the Additional Registered Capital and Paid-in Capital (Share Capital) from the Non-public Offering of A Shares by Postal Savings Bank of China Co., Ltd. (De Shi Bao (Yan) Zi (23) No. 00078).

**(II) Deposit of Previously Raised Proceeds in the Special Accounts**

As of December 31, 2024, the Previously Raised Proceeds had been fully used, and the Bank cancelled the special accounts for the proceeds from the non-public issuances opened in March 2021 and March 2023.

**II. USE OF PREVIOUSLY RAISED PROCEEDS****(I) Checklist on use of Previously Raised Proceeds**

As of December 31, 2024, the Previously Raised Proceeds had been fully used to replenish the core tier 1 capital of the Bank. For details, please refer to the Checklist on Use of Previously Raised Proceeds.

**(II) Changes in the use of Previously Raised Proceeds**

There were no changes in the projects actually invested with the Previously Raised Proceeds.

**(III) Description of the difference between the actual total investment and the committed total investment of projects with the Previously Raised Proceeds**

There is no difference between the actual total investment and the committed total investment of projects with the Previously Raised Proceeds.

**(IV) Transfer and replacement of the earlier investment projects invested with the Previously Raised Proceeds**

There was no external transfer or replacement for the projects invested with the Previously Raised Proceeds.

**(V) Use of idle proceeds**

There was no use of idle proceeds to temporarily replenish working capital, and no cash management and investment of relevant products with idle proceeds.

**III. DESCRIPTION OF THE BENEFITS OF THE PROJECTS INVESTED WITH THE PREVIOUSLY RAISED PROCEEDS**

The Previously Raised Proceeds have all been used to replenish the core tier 1 capital of the Bank. Since the funds invested in the projects with the Previously Raised Proceeds include the Bank's original own funds and the raised proceeds, it is impossible to separately calculate the benefits realized from the Previously Raised Proceeds.

**IV. THE OPERATION OF ASSETS USED FOR SUBSCRIPTION OF SHARES IN THE PREVIOUS ISSUANCE**

No subscription of Shares with assets in the previous issuance occurred in the Bank.

**V. DESCRIPTION OF THE COMPARISON BETWEEN USE OF PREVIOUSLY RAISED PROCEEDS AND INFORMATION DISCLOSURE DOCUMENTS OF THE BANK**

There was no difference between the use of the Previously Raised Proceeds and the contents disclosed in the periodic reports and other disclosure documents of the Bank.



## Schedule

## Checklist on Use of Previously Raised Proceeds

Non-public offering of A Shares in March 2021:

Unit: RMB yuan

Total net proceeds: 29,985,915,537.24		Total proceeds that have been used cumulatively: 29,985,915,537.24					
Total proceeds with changed use: -		Total proceeds that have been used for each year:					
Percentage of total proceeds with changed use: -		2021: 29,985,915,537.24					
Investment project		Total investment with proceeds			Total accumulated investment amount of proceeds as at settlement date		Expected usable date for the project (or project status as at settlement date)
No.	Committed investment project	Actual investment project	Committed investment amount before raising	Committed investment amount after raising	Actual investment amount	Difference between actual investment amount and committed investment amount after raising	
1	Replenishment of core tier 1 capital	Replenishment of core tier 1 capital	29,985,915,537.24	29,985,915,537.24	29,985,915,537.24	29,985,915,537.24	- N/A

## Non-public offering of A Shares in March 2023:

Unit: RMB yuan

Total net proceeds: 44,980,159,019.96		Total proceeds that have been used cumulatively: 44,980,159,019.96				
Total proceeds with changed use: -		Total proceeds that have been used for each year:				
Percentage of total proceeds with changed use: -		2023: 44,980,159,019.96				
<b>Investment project</b>		<b>Total investment with proceeds</b>			<b>Total accumulated investment amount of proceeds as at settlement date</b>	
		Committed investment amount before raising	Committed investment amount after raising	Actual investment amount	Difference between actual investment amount and committed investment amount after raising	Expected usable date for the project (or project status as at settlement date)
<b>Committed investment project</b>	<b>Actual investment project</b>			<b>Actual investment amount</b>		
No.	Replenishment of core tier 1 capital	44,980,159,019.96	44,980,159,019.96	44,980,159,019.96	44,980,159,019.96	N/A
1	Replenishment of core tier 1 capital	44,980,159,019.96	44,980,159,019.96	44,980,159,019.96	44,980,159,019.96	-

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**APPENDIX IV                      DILUTION OF IMMEDIATE RETURNS BY THE ISSUANCE  
OF A SHARES TO THE SPECIFIC SUBSCRIBERS, REMEDIAL  
MEASURES AND THE COMMITMENTS OF RELATED ENTITIES**

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**DILUTION OF IMMEDIATE RETURNS BY THE ISSUANCE OF A SHARES TO  
THE SPECIFIC SUBSCRIBERS, REMEDIAL MEASURES AND THE  
COMMITMENTS OF RELATED ENTITIES OF POSTAL SAVINGS BANK OF  
CHINA**

According to the relevant requirements set out in the Several Opinions of the State Council on Strengthening Regulation and Forestalling Risks to Promote the High-Quality Development of the Capital Market, the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Market and the Guiding Opinions on Matters Concerning the Dilution of Immediate Returns in Initial Public Offering, Refinancing and Material Asset Restructuring issued by the CSRC, the Bank has analyzed the impact of the Issuance of A Shares to specific subscribers on the dilution of immediate returns and proposed the relevant measures to remedy the diluted immediate returns based on the actual situation, specifically as follows.

**I. ANALYSIS OF THE DILUTIVE EFFECT OF THE ISSUANCE ON IMMEDIATE RETURNS**

The proceeds raised from the Issuance is RMB130 billion which, after deducting the relevant issuance expenses, will be fully used to replenish the core tier 1 capital of the Bank to consolidate the Bank's capital strength, support the future business development, and enhance risk resilience of the Bank.

**(I) Assumptions and conditions**

1. It is assumed that there will be no material and adverse changes in the macroeconomic situation, industrial development trends and the Bank's operations;
2. It is assumed that the Issuance will be completed on June 30, 2025;
3. It is assumed that 20,569,620,252 A Shares will be issued through the Issuance, the total amount of proceeds raised from the Issuance is RMB130 billion, and the issuance expenses have not been taken into account;
4. It is assumed that the annual growth rates of the net profit attributable to Shareholders of the Bank and the net profit attributable to Shareholders of the Bank after deducting non-recurring gains and losses in 2025 are 0%, 2.5% and 5%, respectively;
5. Other than the Issuance, other factors that may cause changes to the ordinary share capital (e.g. profit distribution, conversion of capital reserve into share capital) have not been taken into account;
6. The impact of the proceeds raised from the Issuance on Bank's operation and financial situation has not been taken into account.

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

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

Item	December 31, 2024/for the year 2024	Comparison before and after the Issuance (December 31, 2025/for the year 2025)	
		Before the Issuance	After the Issuance
Total Ordinary Shares (million shares)	99,161	99,161	119,731
Total weighted average Ordinary Shares (million shares)	99,161	99,161	109,446
Total proceeds raised from the Issuance (in RMB million)	130,000		
Scenario 1: the annual growth rates of the net profit attributable to Shareholders of the Bank and the net profit attributable to Shareholders of the Bank after deducting non-recurring gains and losses in 2025 are 0%			
Net profit attributable to Shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	85,576	85,576	85,576
Net profit attributable to ordinary Shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	79,234	78,415	78,415
Basic earnings per share after deducting non-recurring gains and losses (RMB per share)	0.80	0.79	0.72
Diluted earnings per share after deducting non-recurring gains and losses (RMB per share)	0.80	0.79	0.72
Scenario 2: the annual growth rates of the net profit attributable to Shareholders of the Bank and the net profit attributable to Shareholders of the Bank after deducting non-recurring gains and losses in 2025 are 2.5%			
Net profit attributable to Shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	85,576	87,715	87,715
Net profit attributable to ordinary Shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	79,234	80,554	80,554

**APPENDIX IV DILUTION OF IMMEDIATE RETURNS BY THE ISSUANCE OF A SHARES TO THE SPECIFIC SUBSCRIBERS, REMEDIAL MEASURES AND THE COMMITMENTS OF RELATED ENTITIES**

Item	December 31, 2024/ for the year 2024	Comparison before and after the Issuance (December 31, 2025/ for the year 2025)	
		Before the Issuance	After the Issuance
Basic earnings per share after deducting non-recurring gains and losses (RMB per share)	0.80	0.81	0.74
Diluted earnings per share after deducting non-recurring gains and losses (RMB per share)	0.80	0.81	0.74
Scenario 3: the annual growth rates of the net profit attributable to Shareholders of the Bank and the net profit attributable to Shareholders of the Bank after deducting non-recurring gains and losses in 2025 are 5%			
Net profit attributable to Shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	85,576	89,855	89,855
Net profit attributable to ordinary Shareholders of the Bank after deducting non-recurring gains and losses (in RMB million)	79,234	82,694	82,694
Basic earnings per share after deducting non-recurring gains and losses (RMB per share)	0.80	0.83	0.76
Diluted earnings per share after deducting non-recurring gains and losses (RMB per share)	0.80	0.83	0.76

*Notes:*

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

Considering the specificity of the business model of commercial banks, the proceeds raised from the Issuance will be used together with the original capital upon the receipt of funds, and their contribution to revenue cannot be measured separately. Based on the above assumptions and calculations, the increase in capital after the completion of the Issuance will have a dilutive effect on the Bank's basic earnings per share in 2025.

**(III) Notes on the calculations**

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

**II. RISK WARNING ON DILUTION OF IMMEDIATE SHAREHOLDER RETURNS  
BY THE ISSUANCE**

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

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

**III. NECESSITY OF THE ISSUANCE**

The Issuance, as an important part of "a package of incremental policies" of the state, will effectively replenish the core tier 1 capital of the Bank, which is of great significance for ensuring the sustainable and steady business development of the Bank, enhancing its profitability and risk resistance capability, and providing better support for the development of the real economy.

**(I) Implementing national strategic plans and fulfilling the responsibility as a major  
bank**

Large state-owned commercial banks are the main force in serving the real economy and the ballast for maintaining financial stability. Capital is the foundation for the sustainable and stable operation of large state-owned commercial banks. Replenishing the core tier 1 capital of large state-owned commercial banks is an important incremental policy for the implementation of counter-cyclical macroeconomic regulation, which has the policy effect of producing

multiple effects in promoting high-quality economic development and safeguarding financial security. The Bank resolutely implements the requirements of the CPC Central Committee and the State Council on the deployment of capital injection, firmly fulfills the economic, political and social responsibilities of large state-owned banks, upholds the political and people-oriented approach of financial work, presses ahead with “five priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance. The Bank strives to be a first-class large-scale retail bank that is trusted by customers, with distinctive features, robustness and safety, innovation-driven and excellent value.

**(II) Increasing the level of capital adequacy to promote the high-quality development of the Bank**

In order to continue to serve the real economy, the Bank has been stepping up its capital constraint, and replenishing its capital by different ways such as retaining profits, introducing strategic investors, listing as well as issuing capital bonds and preference shares. As at the end of 2024, the Bank’s core tier 1 capital adequacy ratio was 9.56%, which was higher than the regulatory requirement. The Issuance will further improve the capital adequacy level, help the Bank to optimize core business and professional expertise, and enhance its ability to serve the real economy. Centering on its core advantages, the Bank will continue to improve its core competencies to create differentiated competitive advantages in Sannong finance, SME finance, proactive credit extension, wealth management and financial market business, so as to promote high-quality development.

**(III) Enhancing the momentum of business development and strengthening the risk resistance capabilities**

In recent years, the Bank thoroughly implemented the national strategies, continuously improved the quality and efficiency of serving the real economy, adhered to the customer-centric approach, focused on creating value for customers, and continuously improved the online and offline interconnected and integrated financial service system to provide its customers with high-quality, convenient and efficient integrated financial services. At the same time, the Bank adhered to the risk-based approach, upheld prudent and stable risk preferences, and improved the risk management and control system covering “all aspects, whole process, all time and all places”, so as to comprehensively enhance its risk leadership capabilities. The Issuance will further enhance the Bank’s risk resistance capabilities, better act as the ballast to guard financial stability, thereby firmly ensuring that no major financial risks arise.

In conclusion, the Issuance will effectively replenish the Bank’s core tier 1 capital, and is of great significance for improving the Bank’s capabilities for robust operation and development, risk resistance and credit extension, so as to better support the development of the real economy.

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**APPENDIX IV                      DILUTION OF IMMEDIATE RETURNS BY THE ISSUANCE  
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**IV. THE RELATIONSHIP BETWEEN THE PROCEEDS-FUNDED INVESTMENT PROJECTS AND THE BANK’S EXISTING BUSINESS, THE BANK’S PERSONNEL, TECHNOLOGY, AND MARKET RESERVES FOR PROCEEDS-FUNDED PROJECTS**

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

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

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

In terms of personnel, the Bank continued to deepen talent development and training, and strengthened the building of talent teams on all fronts. The Bank upheld an open mindset, and continued to build the employer brand to attract outstanding talents. The Bank attached great importance to employee development, established and effectively implemented a dual-track promotion mechanism of “management plus expertise”, improved horizontal mobility mechanisms, and achieved a better alignment between individuals and positions. It enhanced the promotion opportunities for employees at different job levels, and accelerated the building of core talent teams. It continued to enhance the development of a leading talent team, selected and cultivated professional leaders in key areas of technology, retail banking, corporate banking, treasury & asset management, and risk management. The Bank improved the selection, motivation, evaluation and exit mechanisms for leading talents, and strengthened the assessment, management and dynamic adjustment of leading talents, to bring into full play the leading role of these talents in scientific research, reform and innovation, and talent development. It developed talent pools at all levels, and intensified the efforts to train and utilize outstanding young cadres. It continuously improved the talent training system, and launched key training programs of different categories and levels to constantly improve the quality and effectiveness of training.

In terms of technology, guided by the IT Planning for the 14th Five-Year Plan period, with technological innovation as the core and refined management as the approach, the Bank continuously accelerated its pace in innovation, breakthroughs, and transformation, and strove to create a new situation of high-quality development. With the goal of empowering high-quality development through financial technology, the Bank expanded the support services and application scenarios of financial technology, built up driving forces of innovative technologies, and actively explored the application of cutting-edge technologies. In doing so, it endeavored to embark on a new path to differentiated development. The new-generation core system for corporate business was fully launched in January 2024. This system re-used the technical platform foundation and distributed architecture from the new-generation core system for personal business. Built on domestically-produced servers, domestic operating



systems and domestic databases, it enabled empowerment and upgrading in six key areas: customer service, product innovation, data integration, risk management and control, differentiated services and agile development to meet personalized demands. In this way, the system represents further practice and development by the Bank in advancing self-reliance and control over key technologies. The Bank continuously cemented the foundation of workplace safety, pursued self-reliance and strength in science and technology, and intensified efforts to train financial technology personnel. By boosting functional integration, inter-segment collaboration, and coordination between the Head Office and branches, the Bank worked to rapidly develop refined and digital technological capabilities and continuously boosted technology-driven support.

In terms of market, with a focus on customer service, the Bank continuously enhanced its channel development through innovative reform, elevated customer experience via both online and offline channels and enhanced customer service capabilities via multi-channel coordination. It developed new modes of convenient services and financial service scenarios to better address the growing and diverse financial needs of its customers.

#### **V. THE SPECIFIC REMEDIAL MEASURES FOR THE DILUTION OF IMMEDIATE RETURNS OF THE ISSUANCE**

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

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

The Bank will strictly comply with the requirements of relevant laws, regulations and regulatory rules including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Registration, the No. 2 Guidelines for the Supervision on Listed Companies – Regulatory Requirements for Listed Companies on the Management and Use of Raised Proceeds, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Self-Regulatory Supervision Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation, as well as the requirements of the Administrative Measures for Raised Proceeds by Postal Savings Bank of China Co., Ltd. (2019 Edition), strengthen the management of the proceeds from the Issuance, standardize the use of proceeds, further improve the efficiency of the use of raised funds, so as to realize a reasonable level of return on capital, have a positive impact on financial indicators such as return on net assets and earnings per share, effectively cover the impact of the Issuance on the dilution of the immediate returns of ordinary Shareholders, and further enhance the Bank's sustainable development capabilities.

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

The Bank has established a comprehensive internal control system and will continue to strictly follow the requirements of laws, regulations and regulatory documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the Code of Corporate Governance for Listed Companies. The Bank will further strengthen the operation and management and internal control, improve and strengthen the operating decision-making procedures. The Bank will control the interest-bearing costs and various expenses or expenditures, improve yields and spreads of asset business and actively create capital returns for Shareholders.

**(III) Strengthening risk management capabilities**

The Bank will continue to uphold a prudent and sound risk appetite, improve the comprehensive risk management system featuring "all aspects, whole process and entire staff". It will make steady progress in the compliance and implementation of the advanced approaches to capital management, continuously refine capital measurement and risk management, and further strengthen risk management capabilities of the Bank.

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

The Bank attaches great importance to protection of Shareholders' rights and interests and reasonable investment returns. In accordance with relevant provisions of the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies and the Self-Regulatory Supervision Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation, the Bank has formulated and strictly implemented dividend policy in Articles of Association. Upon completion of the Issuance, the Bank will, in accordance with the relevant laws and regulations, strictly implement the Articles of Association and relevant profit distribution system, comprehensively consider and arrange profit distribution based on factors such as future business development plan, profitability and cash flow, and continue to create value and returns for Shareholders.

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**APPENDIX IV                      DILUTION OF IMMEDIATE RETURNS BY THE ISSUANCE  
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**VI. THE UNDERTAKINGS OF THE BANK TO ENSURE THE IMPLEMENTATION  
OF REMEDIAL MEASURES FOR THE DILUTED IMMEDIATE RETURNS**

**(I) The Undertakings of the Bank's Directors and senior management**

To ensure the implementation of remedial measures for the diluted immediate returns upon completion of the Issuance of the Bank, the Bank's Directors and senior management:

1. undertake to faithfully and diligently perform their duties and protect the legitimate rights and interests of the Bank and all the Shareholders;
2. undertake not to transfer interests to other entities or individuals for free or on unfair terms, nor to damage the Bank's interests in other ways;
3. undertake to restrict the expenditures incurred in the course of duties;
4. undertake not to draw upon the Bank's assets to make any investment or participate in any consumption activities unrelated to their performance of duties;
5. undertake to proactively promote the improvement of the Bank's remuneration system to better comply with requirements for compensating immediate returns; to support the linkage between the remuneration system set up by the Board of Directors or the nomination and remuneration committee and the implementation of the Bank's remedial measures for immediate returns, and strictly enforce the above system;
6. undertake that there will be linkage between the vesting conditions of equity incentive to be published and the implementation of the Bank's remedial measures for immediate returns in the event that the Bank introduces an equity incentive policy in the future;
7. undertake that from the date of the undertakings until completion of the implementation of the Issuance of the Bank, if the relevant regulatory authorities such as the CSRC and the SSE issue new regulatory requirements on remedial measures for immediate returns and undertakings and the aforesaid undertakings cannot satisfy the requirements of such regulatory authorities, to provide supplementary undertakings in accordance with the latest requirements of the relevant regulatory authorities.

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**(II) The Undertakings of the controlling Shareholder**

To ensure the implementation of remedial measures for the diluted immediate returns upon completion of the Issuance of the Bank, China Post Group, the controlling Shareholder and de facto controller of the Bank:

1. undertakes not to intervene in the Bank's operation and management beyond its authority or misappropriate the Bank's interests;
2. undertakes that from the date of the undertakings until completion of the implementation of the Issuance of the Bank, if the relevant regulatory authorities such as the CSRC and the SSE issue new regulatory requirements on remedial measures for immediate returns and undertakings and the aforesaid undertakings cannot satisfy the requirements of such regulatory authorities, to provide supplementary undertakings in accordance with the latest requirements of the relevant regulatory authorities.

**SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS OF  
2025-2027 OF POSTAL SAVINGS BANK OF CHINA**

To specify the Bank's plan for reasonable return on Shareholders' investment, refine the cash dividend distribution policy, improve the transparency and practicability of decision-making over profit distribution, and facilitate the Shareholders to supervise the Bank's operation and profit distribution, the Bank has formulated the Shareholders' Return Plan For the Next Three Years of 2025-2027 of Postal Savings Bank of China Co., Ltd. (the "Plan") in accordance with relevant provisions of the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies, and the Plan is detailed as follows.

**I. PRINCIPLES IN THE FORMULATION OF THE PLAN**

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

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

**II. FACTORS CONSIDERED IN MAKING THE PROFIT DISTRIBUTION PLAN**

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

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

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

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

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

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

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

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

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

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

**III. SPECIFIC DIVIDEND DISTRIBUTION PLAN****(I) Order of profit distribution**

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

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

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

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

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

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

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

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



- (2) when the Bank is in a mature stage of development and there are significant capital expenditures arrangements, the cash dividends distributed should be at least 40% of the total profit distributed;
- (3) when the Bank is in a growing stage of development and there are significant capital expenditures arrangements, the cash dividends distributed should be at least 20% of the total profit distributed;

When it is difficult to differentiate the stage of development but there are significant capital expenditure arrangements, cash dividend distribution can be processed based on the provision of item (3) above.

#### **IV. DECISION-MAKING AND SUPERVISION SYSTEM FOR THE PLAN**

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

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

#### **V. IMPLEMENTATION OF PROFIT DISTRIBUTION PLAN**

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

**VI. PLANNING CYCLE AND ADJUSTMENT MECHANISM FOR THE PLAN**

- (I) The Bank shall formulate the dividend distribution plan based on the profit distribution policy determined according to the Articles of Association, make appropriate and necessary amendments to existing plan at least once in three years, and plan on the dividends distribution policy for the next three years. When preparing the dividend distribution plan, the Board of Directors of the Bank shall fully listen to and take the opinions and suggestions of Shareholders (in particular, the minority Shareholders), Independent Directors and external Supervisors through multiple channels. The profit distribution policy and three-year dividend distribution plan formulated by the Board of Directors shall be proposed to the Shareholders' general meeting and shall be put into effect upon approval.
- (II) In case of force majeure such as war, natural disaster or major public health emergencies or in the event of any change to external operation environment with material impact on the Bank's operation, or any significant change to the Bank's own operation condition, the Bank may adjust the profit distribution policy based on the Articles of Association. Any adjustment to the profit distribution policy by the Bank should be presented by the Board of Directors as a subject matter, demonstrate the rationale for adjustment in detail, and a written report should be formed. The Independent Directors shall express their opinions which shall be, together with the written report, submitted to the Shareholders' general meeting as a special resolution for approval. When reviewing adjustments to profit distribution plan, the Bank shall provide Shareholders with the option to vote online in accordance with the regulatory requirements of the securities regulatory authorities where the Bank's Shares are listed.

**VII. MECHANISM FOR THE PLAN TO COME INTO FORCE**

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