

*Unless otherwise defined herein, capitalized terms in this announcement shall have the same meanings as those defined in the prospectus dated June 30, 2017 (the “**Prospectus**”) issued by Zhongyuan Bank Co., Ltd.* (the “**Bank**”).*

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ZHONGYUAN BANK CO., LTD.*

中原銀行股份有限公司*

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

(Stock Code: 1216)

**FULL EXERCISE OF THE OVER-ALLOTMENT OPTION,
STABILIZING ACTIONS AND END OF STABILIZATION PERIOD**

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Bank announces that the Over-allotment Option described in the Prospectus was fully exercised by the Joint Global Coordinators, on behalf of the International Purchasers, on August 10, 2017, in respect of an aggregate of 495,000,000 H Shares (the “**Over-allotment Shares**”), representing 15% of the total number of the Offer Shares initially available under the Global Offering before the exercise of the Over-allotment Option, to cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Bank and sold by the Selling Shareholders at HK\$2.45 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

In accordance with relevant PRC regulations regarding the transfer of state-owned shares and the letter issued by the NSSF, the Selling Shareholders are required to sell an aggregate of 45,000,000 additional Sale Shares, equivalent to 10% of the number of the H Shares to be issued by the Bank pursuant to the exercise of the Over-allotment Option, and remit the proceeds to the account designated by the NSSF.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Bank further announces that the stabilization period in connection with the Global Offering ended on Thursday, August 10, 2017, being the 30th day from the last day for the lodging of applications under the Hong Kong Public Offering. The Bank was informed by CLSA Limited, the Stabilizing Manager, that the stabilizing actions undertaken by CLSA Limited, its affiliates or any person acting for it during the stabilization period were:

- (1) over-allocations of an aggregate of 495,000,000 H Shares in the International Offering, representing 15% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (2) successive purchases of an aggregate of 1,801,000 H Shares at the price of HK\$2.45 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase made by the Stabilizing Manager on the market during the stabilization period was on August 2, 2017 at the price of HK\$2.45 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%);

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| <p>(3) the sale of an aggregate of 1,801,000 H Shares at the price of HK\$2.46 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period; and</p> <p>(4) the full exercise of the Over-allotment Option in respect of an aggregate of 495,000,000 H Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per H Share, to cover over-allocations in the International Offering.</p> |
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FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Bank announces that the Over-allotment Option described in the Prospectus was fully exercised by the Joint Global Coordinators, on behalf of the International Purchasers, on August 10, 2017, in respect of an aggregate of 495,000,000 H Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering before the exercise of the Over-allotment Option, to cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Bank and sold by the Selling Shareholders at HK\$2.45 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

Conversion of Domestic Shares

In accordance with relevant PRC regulations regarding the transfer of state-owned shares and the letter issued by the NSSF (Shebaojijinf [2017] No. 59) on June 12, 2017, the Selling Shareholders are required to sell an aggregate of 45,000,000 additional Sale Shares (being the number of H Shares converted from Domestic Shares on a one-for-one basis in accordance with the relevant PRC regulations), equivalent to 10% of the number of the H Shares to be issued by the Bank pursuant to the exercise of the Over-allotment Option, and remit the proceeds to the account designated by the NSSF. The Bank will not receive any proceeds from the sale of the additional Sale Shares by the Selling Shareholders.

Approval of Listing

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealing in the Over-allotment Shares are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:00 a.m. on August 15, 2017.

Share Capital upon the Full Exercise of the Over-allotment Option

The shareholding structure of the Bank immediately before and immediately after the completion of the full exercise of the Over-allotment Option is as follows:

	Immediately before the full exercise of the Over-allotment Option		Immediately after the full exercise of the Over-allotment Option	
	<i>Number of Shares</i>	<i>Approximate percentage of the Bank's issued share capital (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage of the Bank's issued share capital (%)</i>
Domestic Shares	16,325,000,000	83.18%	16,280,000,000	81.10%
H Shares converted from Domestic Shares and offered by the Selling Shareholders pursuant to the Global Offering	300,000,000	1.53%	345,000,000	1.72%
H Shares issued pursuant to the Global Offering	3,000,000,000	15.29%	3,450,000,000	17.19%
Total H Shares	3,300,000,000	16.82%	3,795,000,000	18.90% ⁽¹⁾
Total	<u>19,625,000,000</u>	<u>100%</u>	<u>20,075,000,000</u>	<u>100%</u> ⁽¹⁾

Note:

(1) The discrepancy between total and sum of amounts listed in the table is due to rounding.

Use of Proceeds

The additional net proceeds of approximately HK\$1,077.83 million to be received by the Bank from the issue and allotment of the Over-allotment Shares, after deducting (i) the proceeds from the sale of the Over-allotment Shares by the Selling Shareholders pursuant to the exercise of the Over-allotment Option, and (ii) the underwriting commissions and other estimated expenses relating to the exercise of the Over-allotment Option will be used by the Bank for the purposes as set out in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus. The Bank will not receive any of the net proceeds from the sale of the additional Sale Shares by the Selling Shareholders.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Bank further announces that the stabilization period in connection with the Global Offering ended on Thursday, August 10, 2017, being the 30th day from the last day for the lodging of applications under the Hong Kong Public Offering.

The Bank was informed by CLSA Limited, the Stabilizing Manager, that the stabilizing actions undertaken by CLSA Limited, its affiliates or any person acting for it during the stabilization period were:

- (1) over-allocations of an aggregate of 495,000,000 H Shares in the International Offering, representing 15% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (2) successive purchases of an aggregate of 1,801,000 H Shares at the price of HK\$2.45 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase made by the Stabilizing Manager on the market during the stabilization period was on August 2, 2017 at the price of HK\$2.45 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%);
- (3) the sale of an aggregate of 1,801,000 H Shares at the price of HK\$2.46 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period; and
- (4) the full exercise of the Over-allotment Option in respect of an aggregate of 495,000,000 H Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per H Share, to cover over-allocations in the International Offering.

PUBLIC FLOAT

The Hong Kong Stock Exchange has granted the Bank, a waiver that the minimum public float requirement under Rule 8.08(1) of the Hong Kong Listing Rules be reduced and the minimum percentage of the H Shares from time to time held by the public to be the higher of:

- (a) 16.82% of the Bank's total issued share capital; or

- (b) such percentage of H Shares to be held by the public immediately after the completion of the Global Offering (assuming the Over-allotment Option has been exercised).

Immediately after the issue and allotment and the sale of the Over-allotment Shares, the number of H Shares in public hands represents approximately 18.90% of the total issued share capital of the Bank which satisfies the minimum percentage prescribed in the conditions imposed in the waiver granted by the Hong Kong Stock Exchange from strict compliance with Rule 8.08(1) of the Hong Kong Listing Rules.

By order of the Board of Directors
Zhongyuan Bank Co., Ltd.
Don Rongxing
Chairman

Hong Kong, August 10, 2017

As at the date of this announcement, the Board of Directors of the Bank comprises Mr. Dou Rongxing, Ms. Hu Xiangyun, Mr. Wang Jiong, Mr. Hao Jingtao and Mr. Zhang Bin as executive Directors; Mr. Li Qiaocheng and Mr. Li Xipeng as non-executive Directors; Ms. Pang Hong, Mr. Li Hongchang, Mr. Jia Tingyu and Mr. Chan Ngai Sang Kenny as independent non-executive Directors.

* *Zhongyuan Bank 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.*