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Bank of Zhengzhou Co., Ltd.*

鄭州銀行股份有限公司*

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

(H Shares Stock Code: 6196)

(Preference Shares Stock Code: 4613)

**CLARIFICATION AND SUPPLEMENTAL ANNOUNCEMENT
REVISED NON-PUBLIC ISSUANCE OF A SHARES
SUPPLEMENTAL SUBSCRIPTION AGREEMENTS
AND
CONNECTED TRANSACTIONS – THE GUOYUAN TRADE
SUPPLEMENTAL AGREEMENT AND
THE ZHENGZHOU HOLDINGS AGREEMENTS**

CLARIFICATION

Reference is made to the announcement of the Bank dated July 17, 2019 and the circular of the Bank dated August 16, 2019 in relation to, among other things, the Proposed Non-Public Issuance of A Shares and the announcement of the Bank dated March 30, 2020 (the “**Announcement**”) in relation to, among other things, the Revised Non-public Issuance of A Shares. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Bank wishes to clarify and supplement that the subject of the Announcement should be “REVISED NON-PUBLIC ISSUANCE OF A SHARES, SUPPLEMENTAL SUBSCRIPTION AGREEMENTS AND CONNECTED TRANSACTIONS – THE GUOYUAN TRADE SUPPLEMENTAL AGREEMENT AND THE ZHENGZHOU HOLDINGS AGREEMENTS”. In addition, the Bank would like to provide further information in relation to this matter.

SUBSCRIPTION OF A SHARES BY ZHENGZHOU HOLDINGS

As disclosed in the Announcement, Zhengzhou Holdings is a state-owned enterprise established in 2005 in the PRC and is a holder of 215,678,764 A Shares of the Bank as at the date of the Announcement. The Bank's non-executive Director Mr. Liang Songwei is the chairman and legal representative of Zhengzhou Holdings and it is therefore a related party of the Bank (as defined under the SZSE Listing Rules). The execution of the Zhengzhou Holdings Agreements and the Zhengzhou Holdings Subscription do not constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules and are not subject to the reporting, announcement and independent Shareholders' approval requirements.

The Bank wishes to clarify and supplement that, subsequent to the execution of the Zhengzhou Holdings Subscription Agreement on July 16, 2019 and the approval of the resolutions in relation to the Proposed Non-public Issuance of A Shares by the independent Shareholders at the 2019 first extraordinary general meeting, the 2019 first A Shareholders class meeting and H Shareholders class meeting held on September 3, 2019, Zhengzhou Holdings has become an indirectly wholly-owned subsidiary of Zhengzhou Finance Bureau, a substantial Shareholder and a connected person of the Bank. Therefore, Zhengzhou Holdings has become an associate of Zhengzhou Finance Bureau and thus a connected person of the Bank, the execution of the Zhengzhou Holdings Agreements and the Zhengzhou Holdings Subscription constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and independent Shareholders' approval requirements.

Based on the above, the Board would like to make the following clarifications to the Announcement:

- (1) The paragraphs headed "SUPPLEMENTAL SUBSCRIPTION AGREEMENTS AND CONNECTED TRANSACTION" and "AGM AND CLASS MEETINGS" in the summary shall be amended as follows:

"SUPPLEMENTAL SUBSCRIPTION AGREEMENTS AND CONNECTED TRANSACTIONS

As part of the Revised Non-public Issuance of A Shares, the Bank has on March 30, 2020 entered into the Supplemental Subscription Agreements with each of Zhengzhou Holdings, Bridge Trust and Guoyuan Trade to amend certain terms of the Conditional Share Subscription Agreements so as to reflect the amendments made under the Revised Non-public Issuance of A Shares.

As at the date of this announcement, Bridge Trust holds 1.94% of the issued Shares of the Bank and it is not a connected person of the Bank under Chapter 14A of the Hong Kong Listing Rules. As at the date of this announcement, Mr. Zhu Zhihui as a supervisor and connected person of the Bank pursuant to Chapter 14A of the Hong Kong Listing Rules, holds 90% of the equity interest in Guoyuan Trade. Therefore, Guoyuan Trade is an associate of Mr. Zhu Zhihui and thus a connected person of the Bank. Zhengzhou Holdings is an indirectly wholly-owned subsidiary of Zhengzhou Finance Bureau, a substantial Shareholder and a connected person of the Bank under Chapter 14A of the Hong Kong Listing Rules, therefore, Zhengzhou Holdings is an associate of Zhengzhou Finance Bureau and thus a connected person of the Bank. The Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements constitute connected transactions of the Bank under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. In accordance with the SZSE Listing Rules and the applicable PRC laws and regulations, Zhengzhou Holdings, Bridge Trust and Guoyuan Trade are related parties of the Bank, thus the entering into of the Supplemental Subscription Agreements constitutes related-party transactions of the Bank and is therefore subject to the consideration and approval by non-related Shareholders.

AGM AND CLASS MEETINGS

The AGM and Class Meetings will be convened to consider, among others, and, if thought fit, approve (i) the Revised Non-public Issuance of A Shares; (ii) the Supplemental Subscription Agreements; (iii) the Guoyuan Trade Subscription; (iv) the Zhengzhou Holdings Subscription; and (v) the authorization to the Board in relation to the relevant matters of the Issuance.

Zhengzhou Holdings, Bridge Trust and Guoyuan Trade and their respective associates shall abstain from voting on the following resolutions to be proposed at the AGM and/or the Class Meetings: (i) the Revised Non-public Issuance of A Shares; (ii) the Supplemental Subscription Agreements; (iii) the related party transactions/connected transactions involved in the Revised Non-public Issuance of A Shares; and (iv) plan on authorization to the Board granted by the AGM and Class Meetings.

A circular which includes, among others, (i) details of the Revised Non-public Issuance of A Shares, the Supplemental Subscription Agreements, the Guoyuan Trade Subscription, the Zhengzhou Holdings Subscription and authorization to the Board; (ii) a letter from the Independent Board Committee to the independent Shareholders containing its recommendation in respect of the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements; (iii) a letter from an independent financial adviser to the Independent Board Committee and the independent Shareholders containing its recommendation in respect of the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements; and (iv) the notice of the AGM and notice of H Shareholders Class Meeting is expected to be despatched to the Shareholders on or before April 21, 2020 in accordance with the requirements of the Hong Kong Listing Rules.

The Issuance is subject to the fulfillment of certain conditions (including the approvals of the AGM and Class Meetings of the Bank and the PRC regulatory authorities). Therefore, no guarantee is made by the Bank that the Issuance will proceed and investors and potential investors are reminded to exercise caution when dealing in the Shares of the Bank.”

- (2) The paragraph headed “THE REVISED NON-PUBLIC ISSUANCE OF A SHARES – (5) Basic information about the target subscribers – (a) Zhengzhou Holdings” shall be amended as follows:

“(a) Zhengzhou Holdings

Zhengzhou Holdings is a state-owned enterprise established in 2005 in the PRC. It is primarily engaged in the business of investment management of state-owned assets, property development, sales and leasing. As at the end of June 2019, Zhengzhou Holdings had total assets of RMB24,750 million and net assets of RMB14,421 million. During the first half of 2019, it recognized operating revenue of RMB629 million and net loss of RMB43 million. As at the date of this announcement, Zhengzhou Holdings is an indirectly wholly-owned subsidiary of Zhengzhou Finance Bureau, a substantial Shareholder and a connected person of the Bank under Chapter 14A of the Hong Kong Listing Rules, therefore, Zhengzhou Holdings is an associate of Zhengzhou Finance Bureau and thus a connected person of the Bank. Furthermore, the Bank’s non-executive Director Mr. Liang Songwei is the chairman and legal representative of Zhengzhou Holdings and it is therefore also a related party of the Bank (as defined under the SZSE Listing Rules). As at the date of this announcement, Zhengzhou Holdings is a holder of 215,678,764 A Shares of the Bank.”

- (3) The paragraph headed “THE REVISED NON-PUBLIC ISSUANCE OF A SHARES – (6) Guoyuan Trade Subscription as a connected transaction” shall be amended as follows:

“(6) Guoyuan Trade Subscription and Zhengzhou Holdings Subscription as connected transactions

The execution of the Guoyuan Trade Subscription Agreement and the transactions contemplated thereunder constituted connected transactions under Chapter 14A of the Hong Kong Listing Rules and is subject to the reporting, announcement and independent Shareholders’ approval requirements. The relevant resolutions have been approved by the independent Shareholders at the 2019 first extraordinary general meeting held by the Bank on September 3, 2019. As part of the Revised Non-Public Issuance of A Shares, on March 30, 2020, the Bank entered into the Guoyuan Trade Supplemental Agreement in order to amend certain terms under the Guoyuan Trade Subscription Agreement.

As Zhengzhou Holdings has become an indirectly wholly-owned subsidiary of Zhengzhou Finance Bureau, a substantial Shareholder and a connected person of the Bank, and thus become a connected person of the Bank, the execution of the Zhengzhou Holdings Agreements and the transactions contemplated thereunder constituted connected transactions under Chapter 14A of the Hong Kong Listing Rules.

The execution of the Guoyuan Trade Supplemental Agreement, the Zhengzhou Holdings Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements.

(a) General information on the parties to the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements

Please refer to paragraph 2(a) of the section headed "THE REVISED NON-PUBLIC ISSUANCE OF A SHARES" to this announcement for details of the Bank's principal business and description. Please refer to paragraphs 5(a) and 5(c) of the section headed "THE REVISED NON-PUBLIC ISSUANCE OF A SHARES" to this announcement for details of Zhengzhou Holdings and Guoyuan Trade, respectively.

(b) Reasons for and benefits of entering into the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements

The Board considers the Guoyuan Trade Subscription and the Zhengzhou Holdings Subscription are conducive to the Bank to improve the capital adequacy ratio and capital restructure, refine the Bank's long-term capital management mechanism, and enhance the capability for sustainable development. As at the date of this announcement, both Guoyuan Trade and Zhengzhou Holdings are the top 10 ordinary Shareholders of the Bank. Through increasing their stakes in the Bank and entering into the Guoyuan Trade Agreements and the Zhengzhou Holdings Agreements to subscribe for the A Shares to be issued under the Revised Non-public Issuance of A Shares, Guoyuan Trade and Zhengzhou Holdings demonstrate their confidence in the long-term sustainable development of the Bank, which is conducive for the Bank to enlarge its capital scale and capital strength, grasp opportunity in the intensive competition of the banking industry, which would guarantee the sound and sustainable development of the Bank. Furthermore, the entering into the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Supplemental Agreement are necessary in order to reflect the amendments made to the Revised Non-public Issuance of A Shares as a result of the New Issuance Decisions.

In light of the above, the Board (including the independent non-executive Directors) believe that the terms of the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements are fair and reasonable and on normal commercial terms. Entering into the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements are in the interest of the Bank and the Shareholders as a whole.

(c) Implications under the Hong Kong Listing Rules

As at the date of this announcement, Mr. Zhu Zhihui is a Supervisor and thus a connected person of the Bank pursuant to Chapter 14A of the Hong Kong Listing Rules, holds 90% of the equity interest in Guoyuan Trade. Therefore, Guoyuan Trade is an associate of Mr. Zhu Zhihui and thus a connected person of the Bank. Furthermore, Zhengzhou Holdings, one of the determined specific subscribers, has become an indirectly wholly-owned subsidiary of Zhengzhou Finance Bureau, a substantial Shareholder and a connected person of the Bank, after the approval of the resolutions in relation to the Proposed Non-public Issuance of A Shares by the Shareholders at the 2019 first extraordinary general meeting, the 2019 first A Shareholders class meeting and H Shareholders class meeting held on September 3, 2019. Zhengzhou Holdings has become an associate of Zhengzhou Finance Bureau and thus a connected person of the Bank. The entering into the Guoyuan Trade Supplemental Agreement, the Zhengzhou Holdings Agreement and the transactions contemplated thereunder constitute connected transactions of the Bank under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Guoyuan Trade Supplemental Agreement, the Zhengzhou Holdings Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Bank to advise the Independent Board Committee and the independent Shareholders on the above."

- (4) The paragraph headed "AGM, CLASS MEETINGS AND DISPATCH OF THE CIRCULAR" shall be amended as follows:

"The AGM and Class Meetings will be convened to consider, among others, and, if thought fit, approve (i) the Revised Non-public Issuance of A Shares; (ii) the Supplemental Subscription Agreements; (iii) the Guoyuan Trade Subscription; (iv) the Zhengzhou Holdings Subscription; and (v) the authorization to the Board in relation to the relevant matters of the Issuance. The AGM will be held at 9:00 a.m. on May 20, 2020 (Wednesday) and the Class Meetings immediately after the conclusion of the AGM at Multi-Function Room, 29/F, Bank of Zhengzhou Building, 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC. A circular which includes, among others, (i) details of the Revised Non-public Issuance of A Shares, the Supplemental Subscription Agreements, the Guoyuan Trade Subscription, the Zhengzhou Holdings Subscription and authorization to the Board; (ii) a letter from the Independent Board Committee to the independent Shareholders containing its recommendation in respect of the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreement; (iii) a letter from an independent financial adviser to the Independent Board Committee and the independent Shareholders containing its recommendation in respect of the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreement; and (iv) the notice of the AGM and notice of H Shareholders Class Meeting is expected to be despatched to the Shareholders on or before April 21, 2020 in accordance with the requirements of the Hong Kong Listing Rules.

The Revised Non-public Issuance of A Shares and the authorization to the Board in relation to the relevant matters of the Issuance will be submitted to the AGM and Class Meetings for approval by Shareholders by way of special resolutions. All the resolutions will be put to vote at the AGM and the Class Meetings by way of poll.

Mr. Fan Yutao and Mr. Liang Songwei, being the Directors who are deemed to have conflict of interest in the Issuance, have abstained from voting on the corresponding board resolutions in the meeting of the Board according to relevant laws, regulations and the Articles of Association. Save as disclosed aforesaid, none of the other Directors has conflict of interest in the Issuance, and thus no other Directors were required to abstain from voting.

Those who are involved in or interested in the Revised Non-public Issuance of A Shares and/or the Supplemental Subscription Agreements and/or Guoyuan Trade Subscription and/or Zhengzhou Holdings Subscription and/or the authorization to the Board in relation to the relevant matters of the Issuance will be required to abstain from voting on the relevant resolutions to be proposed at the AGM and/or the Class Meetings. In the event that a Shareholder becomes a subscriber under the Revised Non-public Issuance of A Shares, such Shareholder will be required to abstain from voting at the AGM and/or the Class Meetings. Zhengzhou Holdings, Bridge Trust and Guoyuan Trade and their respective associates shall abstain from voting on the following resolutions to be proposed at the AGM and/or the Class Meetings: (i) the Revised Non-public Issuance of A Shares; (ii) the Supplemental Subscription Agreements; (iii) the related party transactions/connected transactions involved in the Revised Non-public Issuance of A Shares; and (iv) plan on authorization to the Board granted by the AGM and Class Meetings. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Revised Non-public Issuance of A Shares and therefore no other Shareholder is required to abstain from voting at the AGM and/or the Class Meetings."

(5) The following definitions shall be amended as follows:

"Conditional Share Subscription Agreements"	collectively, the conditional share subscription agreement dated July 16, 2019 entered into between the Bank and Bridge Trust, the Zhengzhou Holdings Subscription Agreement and the Guoyuan Trade Subscription Agreement
"Independent Board Committee"	the independent board committee of the Bank comprising Mr. Xie Taifeng, Mr. Wu Ge, Ms. Chan Mei Bo Mabel and Ms. Li Yanyan, being all the independent non-executive Directors, which is formed to advise the independent Shareholders on the Guoyuan Trade Supplemental Agreement and the Zhengzhou Holdings Agreements in accordance with the Hong Kong Listing Rules
"Supplemental Subscription Agreements"	collectively, the supplemental subscription agreement dated March 30, 2020 to the conditional share subscription agreement entered into between the Bank and Bridge Trust on July 16, 2019, the Zhengzhou Holdings Supplemental Agreement and the Guoyuan Trade Supplemental Agreement

(6) The following definition shall be added after the definition of “SZSE Listing Rules”:

“Zhengzhou Finance Bureau” Zhengzhou Finance Bureau (鄭州市財政局)

(7) The following definitions shall be added after the definition of “Zhengzhou Holdings”:

“Zhengzhou Holdings Agreements” collectively, the Zhengzhou Holdings Subscription Agreement and the Zhengzhou Holdings Supplemental Agreement

“Zhengzhou Holdings Subscription” the proposed subscription of A Shares by Zhengzhou Holdings pursuant to the Zhengzhou Holdings Agreements

“Zhengzhou Holdings Subscription Agreement” the conditional share subscription agreement dated July 16, 2019 entered into between the Bank and Zhengzhou Holdings, pursuant to which Zhengzhou Holdings has conditionally agreed to subscribe for, and the Bank has conditionally agreed to issue not less than 171,500,000 A Shares under the Proposed Non-public Issuance of A Shares

“Zhengzhou Holdings Supplemental Agreement” the supplemental agreement to the Zhengzhou Holdings Subscription Agreement dated March 30, 2020 entered into between the Bank and Zhengzhou Holdings to reflect the amendments made to the Revised Non-public Issuance of A Shares

Except as disclosed in this announcement, all the information in the Announcement remains unchanged.

GENERAL INFORMATION

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

The Issuance is subject to the fulfillment of certain conditions (including the approvals of the AGM and Class Meetings of the Bank and the PRC regulatory authorities). Therefore, no guarantee is made by the Bank that the Issuance will proceed and investors and potential investors are reminded to exercise caution when dealing in the Shares of the Bank.

By Order of the Board
Bank of Zhengzhou Co., Ltd.*
WANG Tianyu
Chairman

Zhengzhou, Henan, the PRC
April 6, 2020

As at the date of this announcement, the Board comprises Mr. WANG Tianyu, Mr. SHEN Xueqing and Mr. FENG Tao as executive directors, Mr. FAN Yutao, Mr. ZHANG Jingguo, Mr. LIANG Songwei, Mr. JI Hongjun and Mr. WANG Shihao as non-executive directors, Mr. XIE Taifeng, Mr. WU Ge, Ms. CHAN Mei Bo Mabel and Ms. LI Yanyan as independent non-executive directors.

* *The Bank 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.*