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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)**

**(Stock Code of Preference Shares: 4612)**

## ANNOUNCEMENT ON EXTERNAL INVESTMENT IN THE ESTABLISHMENT OF A WHOLLY-OWNED SUBSIDIARY

Postal Savings Bank of China Co., Ltd. (the “**Bank**”) convened the sixteenth meeting of 2018 of the Board of the Bank (the “**Board**”) on-site in Beijing on 7 December 2018 (the “**Meeting**”), which has considered and approved the proposal of the Establishment of Asset and Wealth Management Subsidiary (the “**Proposal**”). The Meeting was chaired by Mr. Lyu Jiajin, the director (performing the duties on behalf of the Chairman of the Board). There were 14 directors eligible for attending the meeting, of whom 11 directors attended in person and 3 directors attended the meeting by proxy. Mr. Liu Yue, the director, appointed Mr. Han Wenbo, the director, to attend the meeting and exercise voting right on his behalf. Mr. Ma Weihua, the director, appointed Mr. Gan Peizhong, the director, to attend the meeting and exercise voting right on his behalf. Ms. Bi Zhonghua, the director, appointed Mr. Fu Tingmei, the director, to attend the meeting and exercise voting right on her behalf. The convening of the Meeting and the number of directors who voted on the Meeting were in compliance with the provisions of the Company Law of the People's Republic of China and the Articles of Association of Postal Savings Bank of China Co., Ltd.. 14 directors voted for the Proposal, and none of the directors voted against or abstained from voting. Upon the approval by the Board, the Bank proposes to invest no more than RMB8 billion to establish a wholly-owned subsidiary, namely PSBC Asset and Wealth Management Corporation Limited (“**PSBC AWM**”, subject to the final authorization and approval by the regulatory authorities and industrial and commercial registration authorities) (the “**Investment**”). The Board also authorized the management team to make such reasonable amendments, modifications and supplements as may be required by any specific policy requirements from the regulatory authorities and actual condition to the specific establishment plans and procedures within the establishment framework proposal.

As the Investment will be made pursuant to the authorization to the Board granted by the shareholders' meeting of the Bank regarding equity investment, it will not require separate approval by the shareholders' meeting of the Bank. The Investment does not constitute a notifiable transaction or a connected transaction of the Bank under Chapter 14 or Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **BASIC INFORMATION OF THE INVESTMENT TARGET**

The proposed registered capital of PSBC AWM is no more than RMB8 billion, which will be 100% held by the Bank, and the proposed registered address will be Beijing. PSBC AWM plans to apply for the operation of the following businesses: (i) public offering of wealth management products to the general public, investment and management of properties entrusted by investors; (ii) private placement of wealth management products to qualified investors, investment and management of properties entrusted by investors; (iii) wealth management advisory and consulting services; and (iv) other businesses approved by the banking supervisory authorities of the State Council. The result of the above is subject to the final authorization and approval by the regulatory authorities and the industrial and commercial registration authorities.

PSBC AWM will establish its comprehensive corporate governance structure in accordance with the Company Law of the People's Republic of China, the Guidelines on Corporate Governance of Commercial Banks, the Commercial Bank Wealth Management Subsidiary Administrative Measures and relevant corporate governance regulations. PSBC AWM will be managed as a tier-1 wholly-owned subsidiary of the Bank.

### **Impacts of the Investment on the Bank**

The Investment will be funded by the Bank's own capital.

The Investment is an important step for the Bank to implement the latest requirements of the regulatory authorities, adapt to changes in the internal and external economic and financial environment, and facilitate a healthy development of the wealth management business. The Investment will drive the return of the bank wealth management business to its original asset management business, reinforce the risk segregation, achieve the service principle of "being entrusted by and managing wealth for customers" in a better way, improve the overall financial service level for our customers, as well as strengthen the capability to serve the real economy and increase its overall risk resistance.

### **Risk Analysis of External Investment**

The Investment is subject to the approval of the relevant regulatory authorities.

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

Beijing, PRC

7 December 2018

*As at the date of this announcement, the Board comprises Mr. Lyu Jiajin, Mr. Zhang Xuwen and Ms. Yao Hong as executive directors; Mr. Han Wenbo, Mr. Tang Jian, Mr. Liu Yaogong, Mr. Chin Hung I David, Mr. Liu Yue and Mr. Ding Xiangming as non-executive directors; Mr. Ma Weihua, Ms. Bi Zhonghua, Mr. Fu Tingmei, Mr. Gan Peizhong and Mr. Hu Xiang 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.*