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**CHINA ZHESHANG BANK CO., LTD.**

**浙 商 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: 2016)**

## **INSIDE INFORMATION**

### **UPDATES IN RELATION TO PROPOSED CAPITAL INCREASE IN A SUBSIDIARY AND POTENTIAL CONNECTED TRANSACTIONS**

This announcement is made by the China Zheshang Bank Co., Ltd. (the “**Bank**”) pursuant to Rule 13.09(2) and 13.10B of the Listing Rules and the Inside Information Provision (as defined in the Listing Rules) under Part XIVA of the Securities and Future ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Bank dated December 27, 2024 (the “**Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

#### **THE UPDATES ON THE PROPOSED CAPITAL INCREASE**

The Board hereby announces that a resolution regarding the updates on the Proposed Capital Increase was considered and approved at the 2025 fifth extraordinary meeting of the seventh session of the Board held on June 27, 2025. As at the date of this announcement, Zheyin Financial Leasing is a subsidiary of the Bank, with the Bank, Zhejiang Financial Holdings and Zhoushan Marine having 51.00%, 29.00% and 20.00% shareholding, respectively. Zheyin Financial Leasing intended to issue additional 700 million shares (the “**Updated Proposed Capital Increase**”). The Updated Proposed Capital Increase is intended to be subscribed by the Bank for 500 million shares with a total capital contribution of up to RMB1,020 million, and by Zhoushan Marine for 200 million shares with a total capital contribution of up to RMB400 million. Zhejiang Financial Holdings has voluntarily waived its subscription right in the Updated Proposed Capital Increase. The relevant transactions under the Updated Proposed Capital Increase may constitute connected transactions of the Bank under the Chapter 14A of the Listing Rules (the “**Updated Potential Connected Transactions**”).

As at the date of this announcement, the Bank has not entered into the capital increase agreement in respect of the Updated Proposed Capital Increase, and the Bank will make an announcement in accordance with the Listing Rules in due course.

## **BASIC INFORMATION ABOUT ZHEYIN FINANCIAL LEASING**

Zheyin Financial Leasing was established on January 18, 2017, with the unified social credit code of 91330900MA28KA6292 and a registered capital of RMB4 billion. With its registered address at 23rd Floor, No. 111 Yingbin Avenue, the Zhoushan Economic Development Zone, Zhejiang Province, the PRC (within the Free Trade Pilot Zone) (中國浙江省舟山經濟開發區迎賓大道 111 號 23 層(自貿試驗區內)), and Wang Guoping (汪國平) as the legal representative, it is mainly engaged in business activities as approved by the China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other provisions, the scope of which is detailed in the approval documents (with its operations subject to its financial license). As at the date of this announcement, Zheyin Financial Leasing is a subsidiary of the Bank, with the Bank, Zhejiang Financial Holdings and Zhoushan Marine having 51.00%, 29.00% and 20.00% shareholding, respectively.

As of December 31, 2024, Zheyin Financial Leasing had total assets of RMB78,327 million, with operating revenue of RMB2,361 million and net profit of RMB1,034 million (audited) in 2024.

As of the date of this announcement, Zheyin Financial Leasing is not a subject in the list of judgement defaulters.

## **APPRAISAL AND PRICING OF THE SUBJECT MATTER**

The price of issuance under the Updated Proposed Capital Increase will be determined on the basis of the evaluated net asset value per share of Zheyin Financial Leasing as of December 31, 2024.

## **IMPACTS OF THE UPDATED PROPOSED CAPITAL INCREASE AND THE UPDATED POTENTIAL CONNECTED TRANSACTIONS ON THE BANK**

The Updated Proposed Capital Increase will further replenish the core capital of Zheyin Financial Leasing to enhance its capital adequacy ratio, and support its sustainable business development. Moreover, it is expected to enhance the Bank's return on capital and strategic synergies with its subsidiary. It is expected that the Updated Proposed Capital Increase will not be detrimental to the interests of the Bank and its shareholders as a whole, and will not have a material impact on the Bank's normal operating activities and financial conditions.

## OPINION OF THE DIRECTORS

The Updated Proposed Capital Increase and the Updated Potential Connected Transactions were considered and approved at the 2025 fifth extraordinary meeting of the seventh session of the Board. As Mr. HOU Xingchuan holds office at Zhejiang Financial Holdings, he has abstained from voting on the Board resolutions approving the Updated Proposed Capital Increase and the Updated Potential Connected Transactions. The remaining Directors have voted for, and unanimously considered and approved the Board resolutions approving the Updated Proposed Capital Increase and the Updated Potential Connected Transactions. Save as aforesaid, no other Directors have a material interest in the Updated Proposed Capital Increase or the Updated Potential Connected Transactions, and therefore no other Directors are required to abstain from voting on the relevant board resolutions.

The Directors (including all independent non-executive Directors) consider that the Updated Proposed Capital Increase and the Updated Potential Connected Transactions are (i) conducted in the ordinary and usual course of business of the Group and expected to be conducted on normal commercial terms; (ii) on terms that are fair and reasonable; and (iii) in the interests of the Bank and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, the Bank holds 51.00% of the total issued shares of Zheyin Financial Leasing. As at the same date, Zhejiang Financial Holdings, as a substantial shareholder of the Bank, holds approximately 12.57% of the total issued shares of the Bank and 29.00% of the total issued shares of Zheyin Financial Leasing. Therefore, Zheyin Financial Leasing is a connected subsidiary of the Bank. Accordingly, the Updated Proposed Capital Increase may constitute a connected transaction of the Bank under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge and belief, having made all reasonable enquiries, as at the date of this announcement, the other counterparty to the Updated Proposed Capital Increase (i.e. Zhoushan Marine) and its ultimate beneficial owner(s) are independent third parties of the Bank and its connected persons.

**The Updated Proposed Capital Increase and the Updated Potential Connected Transactions are subject to the approval by the regulatory authorities and certain uncertainties. As at the date of this announcement, the Bank has not entered into the capital increase agreement in respect of the Updated Proposed Capital Increase, and the Bank will fulfill the corresponding obligations required by approval procedures and information disclosure in strict compliance with the relevant requirements of the Listing Rules and other relevant regulations. Investors are advised to pay attention to the investment risks thereof.**

By order of the Board  
China Zheshang Bank Co., Ltd.  
**Lu Jianqiang**  
Chairman

Hangzhou, the PRC  
June 27, 2025

*As at the date of this announcement, the executive directors of the Bank are Mr. Lu Jianqiang, Mr. Chen Haiqiang and Ms. Ma Hong; the non-executive directors are Mr. Hou Xingchuan, Mr. Ren Zhixiang, Mr. Hu Tiangao and Mr. Ying Yuxiang; the independent non-executive directors are Mr. Wang Wei, Mr. Xu Yongbin, Mr. Fu Tingmei, Mr. Shi Hao and Mr. Lou Weizhong.*