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**BANK OF CHONGQING CO., LTD.\***

**重慶銀行股份有限公司\***

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

**(Stock Code: 1963)**

**(Stock Code of Preference Shares: 4616)**

**CONNECTED TRANSACTION – SUBSCRIPTION OF  
A SHARE CONVERTIBLE BONDS BY SUBSTANTIAL SHAREHOLDER  
AND ITS ASSOCIATES  
CLOSURE OF REGISTER OF MEMBERS**

**CHONGQING YUFU UNDERTAKING**

References are made to the announcements dated 30 March 2021, 20 May 2021, 27 September 2021 and 18 November 2021 and the circular dated 26 April 2021 of the Bank in relation to the Proposal on Issuance of A Share Convertible Bonds, and the preferential rights of the existing A Shareholders of the Bank to subscribe for the A Share Convertible Bonds to be issued.

On 14 February 2022, the Bank received undertakings from Chongqing Yufu on the exercise of preferential rights for subscription of the A Share Convertible Bonds by Chongqing Yufu and its associates, pursuant to which, Chongqing Yufu and its associates shall only subscribe the A Share Convertible Bonds in proportion to their shareholding through preferential issuance, and they shall not participate in the online or offline subscription (if any) of the A Share Convertible Bonds other than the preferential issuance portion in proportion to its shareholding. Accordingly, assuming that the Bank has issued the A Share Convertible Bonds at the maximum issuance amount of RMB13 billion and all A Share Convertible Bonds have been preferentially allocated to the existing A Shareholders, the maximum amount to be subscribed by Chongqing Yufu and its associates is approximately RMB3.0 billion.

**IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Chongqing Yufu directly and indirectly holds a total of 485,434,803 Shares, representing approximately 13.97% of the issued share capital of the Bank, and is a substantial shareholder of the Bank, and therefore Chongqing Yufu and its associates are connected persons of the Bank. Accordingly, the Subscription constitutes a non-exempt connected transaction of the Bank subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## GENERAL

The Bank will convene and hold an EGM for the Independent Shareholders to consider and, if thought fit, to approve the connected transaction of the Bank in relation to the Subscription. Chongqing Yufu and its associates, having material interests in the Subscription, shall abstain from voting on the relevant resolution at the EGM.

The Bank has established an Independent Board Committee to advise the Independent Shareholders on the Subscription. The Bank has also appointed Guotai Junan as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

A circular containing, among other things, (i) details on the Subscription; (ii) the recommendation letter of the Independent Board Committee to the Independent Shareholders; and (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is expected to be despatched to the Shareholders on or before 1 March 2022.

**Investors should be aware that the proposed public issuance of A Share Convertible Bonds is still subject to the approval of the CSRC, the public issuance of A Share Convertible Bonds may not proceed or may not become effective. The Board advises investors and Shareholders to exercise caution when dealing in the securities of the Bank.**

## BACKGROUND

References are made to the announcements dated 30 March 2021, 20 May 2021, 27 September 2021 and 18 November 2021 and the circular dated 26 April 2021 of the Bank (the “Circular”) in relation to the Proposal on Issuance of A Share Convertible Bonds, and the preferential rights of the existing A Shareholders of the Bank to subscribe for the A Share Convertible Bonds to be issued.

Based on the Proposal on Issuance of A Share Convertible Bonds, the existing A Shareholders of the Bank shall have preferential rights to subscribe for the A Share Convertible Bonds to be issued in proportion to their shareholding. The remaining portion of the preferential issuance of the Convertible Bonds to the existing A Shareholders (i.e. those given up by the existing A Shareholders) will be issued offline to institutional investors and/or online through the Shanghai Stock Exchange system. If there remains under-subscription, the under-subscribed A Share Convertible Bonds will be underwritten by the underwriting syndicate.

The actual amount to be preferentially allocated to the existing A Shareholders shall be determined by the Board (or its authorized person(s)) with reference to the market conditions before issuance, according to the authorization by the Shareholders at the general meeting.

## **CHONGQING YUFU UNDERTAKING**

On 14 February 2022, the Bank received undertakings from Chongqing Yufu on the exercise of preferential rights for subscription of the A Share Convertible Bonds by Chongqing Yufu and its associates, pursuant to which, Chongqing Yufu and its associates shall only subscribe the A Share Convertible Bonds in proportion to their shareholding percentage of the number of A Shares of the Bank to the total number of issued A Shares of the Bank through preferential issuance, and they shall not participate in the online or offline subscription (if any) of the A Share Convertible Bonds other than the preferential issuance portion in proportion to its shareholding.

As at the date of this announcement, Chongqing Yufu and its associates hold 436,685,931 A Shares of the Bank, representing approximately 23.04% of the total number of issued A Shares of the Bank. Accordingly, assuming that the Bank has issued the A Share Convertible Bonds at the maximum issuance amount of RMB13 billion and all A Share Convertible Bonds have been preferentially allocated to the existing A Shareholders, the maximum amount to be subscribed by Chongqing Yufu and its associates is approximately RMB3.0 billion.

Based on the current minimum initial CB Conversion Price of RMB11.28 per Share fixed by the Bank as disclosed in the Circular, which represents the audited net asset value per Share of the Bank as at 31 December 2020, all the A Share Convertible Bonds under the Subscription are convertible into a total of 265,495,832 A Shares. Pursuant to the Proposal on Issuance of A Share Convertible Bonds, the subscription price is the par value of the A Share Convertible Bonds of RMB100 each. Chongqing Yufu and its associates intend to subscribe in cash for the A Share Convertible Bonds under the Subscription. When participating in the Issuance of A Share Convertible Bonds, Chongqing Yufu and its associates pay the subscription monies in full as required by the Bank or the intermediary engaged by it.

## **PRINCIPAL TERMS OF THE A SHARE CONVERTIBLE BONDS**

The Subscription forms part of the Issuance of A Share Convertible Bonds. The terms of the A Share Convertible Bonds are set out in the Proposal on Issuance of A Share Convertible Bonds, and have been considered and approved at the 2020 annual general meeting, the 2021 first H Shareholders' class meeting and the 2021 first A Shareholders' class meeting of the Bank held on 20 May 2021. For details of the terms of the A Share Convertible Bonds and the relevant effect of the Issuance of A Share Convertible Bonds, please refer to the Circular.

The shareholding structure of the Bank as at the date of this announcement and immediately after completion of the proposed issuance of the A Share Convertible Bonds and conversion of all the A Share Convertible Bonds into A Shares (assuming that (i) the Bank has issued the A Share Convertible Bonds at the maximum issuance amount of RMB13 billion; (ii) all A Share Convertible Bonds have been subscribed by Chongqing Yufu and its associates in proportion to their current respective holding of A Shares except those Directors and Supervisors and their associates holding A Shares who are subject to the dealing prohibitions under the Model Code; (iii) all A Share Convertible Bonds have been converted into A Shares at the minimum initial CB Conversion Price of RMB11.28 per Share; and (iv) the Bank will not further issue and allot any Shares before all the A Share Convertible Bonds are converted into A Shares) is as follows:

	As at the date of this announcement		Immediately after completion of the proposed issuance of A Share Convertible Bonds and conversion of all the A Share Convertible Bonds into A Shares at RMB11.28 per Share	
	Number of Shares	As a percentage of total issued Shares	Number of Shares	As a percentage of total issued Shares
<b>A Shares</b>				
Chongqing Yufu <sup>(1)</sup>	410,868,803	11.8252%	660,668,359	14.2786%
Associates of Chongqing Yufu	25,817,128	0.7430%	41,513,404	0.8972%
Directors and Supervisors and their Associates	501,005	0.0144%	501,005	0.0108%
Other Public Shareholders	1,458,297,591	41.9714%	2,345,284,029	50.6871%
<b>Total issued A Shares</b>	<b>1,895,484,527</b>	<b>54.5541%</b>	<b>3,047,966,797</b>	<b>65.8737%</b>
<b>H Shares</b>				
Dah Sing Bank, Limited	458,574,853	13.1983%	458,574,853	9.9109%
Chongqing Yufu (Hong Kong) Limited <sup>(1)</sup>	74,566,000	2.1461%	74,566,000	1.6115%
Public Shareholders	1,045,879,959	30.1015%	1,045,879,959	22.6039%
<b>Total issued H Shares</b>	<b>1,579,020,812</b>	<b>45.4459%</b>	<b>1,579,020,812</b>	<b>34.1263%</b>
<b>Total issued Shares</b>	<b>3,474,505,339</b>	<b>100%</b>	<b>4,626,987,609</b>	<b>100%</b>

*Note (1)* As at the date of this announcement, Chongqing Yufu (Hong Kong) Limited is a subsidiary of Chongqing Yufu. Chongqing Yufu holds 410,868,803 A Shares of the Bank and Chongqing Yufu (Hong Kong) Limited holds 74,566,000 H Shares of the Bank.

The plan for the issuance of A Share Convertible Bonds has been approved at the twenty-fourth meeting of the sixth session of the Board of the Bank, the Chongqing State-Owned Assets Supervision and Administration Commission, the 2020 annual general meeting, the 2021 first H Shareholders' class meeting and the 2021 first A Shareholders' class meeting of the Bank held on 20 May 2021, and Chongqing Bureau of China Banking and Insurance Regulatory Commission. The plan has been submitted to the CSRC for review and approval. After obtaining the approvals from all relevant PRC regulatory authorities, the Bank will issue the A Share Convertible Bonds subject to market opportunities. Directors, Supervisors and their associates who are subject to dealing prohibitions under the Model Code will not subscribe for the A Share Convertible Bonds should the issuance of the A Share Convertible Bonds occur during the relevant dealing prohibition periods as stipulated under the Model Code.

The public issuance of A Share Convertible Bonds is subject to certain relevant risks, including but not limited to risk of changes in politics, laws, regulations and policies, management risk, risk in approvals, etc. When evaluating the public issuance of A Share Convertible Bonds by the Bank, investors should take the aforementioned risk factors into due consideration.

## **EQUITY FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

In the past 12 months immediately before the date of this announcement, the Bank has not conducted any equity financing activities involving the issuance of equity securities.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

As the business scale of the Bank continues to expand with ongoing optimization of business structure, the Bank is bound to face the pressure of capital replenishment going ahead. In order to better meet the regulatory requirements and enhance its risk resistance capacity, it is necessary for the Bank to issue the A Share Convertible Bonds to further improve its capital adequacy. The issuance of A Share Convertible Bonds will allow the Bank to further enhance its capital strength, which will not only help the Bank meet its business development needs, but also contribute to its stronger capability in serving the real economy. Participation by Chongqing Yufu, as one of the substantial shareholders of the Bank, in the issuance of A Share Convertible Bonds will demonstrate its solid confidence in the prospects of the Bank. The Directors (excluding the independent non-executive Directors) believe that the terms of the issuance of A Share Convertible Bonds (including the Subscription) by the Bank are fair and reasonable and in the interests of the Shareholders as a whole.

After deducting issuance expenses, the proceeds from the Issuance of A Share Convertible Bonds will be utilized in full to support sound business development of the Bank in the future, i.e. to replenish the core Tier-1 capital of the Bank in accordance with relevant regulatory requirements after the conversion of the A Share Convertible Bonds.

## **INFORMATION ON THE BANK AND CHONGQING YUFU**

### **The Bank**

The Bank is a joint-stock limited company incorporated in the PRC, whose H Shares are listed on the main board of the Hong Kong Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange. The principal business activities of the Bank are acceptance of deposits from companies, extension of short-, mid- and long-term loans, registration of discounted bills acceptance, issuance of financial bonds, acting as issuance agency, acting as securities cashing agency, underwriting of government bonds and conducting interbank lending.

### **Chongqing Yufu**

Chongqing Yufu is a limited liability company incorporated in the PRC and wholly-owned by the Chongqing Municipal Government, conducting business including the acquisition and disposal of assets and relevant property investment, investment advisory, financial consultancy, consultancy and agency for corporate reorganizations and mergers, custody of enterprises and assets (businesses requiring pre-requisite approval under the laws and regulations of the country shall not be conducted before such approval is obtained) under the authority of the municipal government.

## IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Chongqing Yufu directly and indirectly holds a total of 485,434,803 Shares, representing approximately 13.97% of the issued share capital of the Bank, and is a substantial shareholder of the Bank, and therefore Chongqing Yufu and its associates are connected persons of the Bank. Accordingly, the Subscription constitutes a non-exempt connected transaction of the Bank subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The proposal in relation to the Subscription was considered and approved by the Board on 14 February 2022. Mr. Yang Yusong has abstained from voting on the Board resolution approving the Subscription. Save as mentioned above, none of the other Directors has material interest in the Subscription and hence no other Director has abstained from voting on such Board resolution.

## GENERAL

The Bank will convene and hold an EGM for the Independent Shareholders at the headquarter of the Bank on 17 March 2022 to consider and, if thought fit, to approve the connected transaction of the Bank in relation to the Subscription. Chongqing Yufu and its associates, having material interests in the Subscription, shall abstain from voting on the relevant resolution at the EGM.

The H share register of members of the Bank will be closed from Monday, 14 March 2022 to Thursday, 17 March 2022 (both days inclusive), during which time no transfer of H shares of the Bank will be effected and registered. In order to qualify for attending and voting at the EGM, instruments of transfer accompanied by relevant share certificates and other appropriate documents must be lodged with the Bank's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 11 March 2022. Shareholders of the Bank whose names appear on the register of members of the Bank at the close of business on Friday, 11 March 2022 are entitled to attend and vote at the EGM.

The Bank has established an Independent Board Committee to advise the Independent Shareholders on the Subscription. The Bank has also appointed Guotai Junan as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

A circular containing, among other things, (i) details on the Subscription; (ii) the recommendation letter of the Independent Board Committee to the Independent Shareholders; and (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is expected to be despatched to the Shareholders on or before 1 March 2022.

**Investors should be aware that the proposed public issuance of A Share Convertible Bonds is still subject to the approval of the CSRC, the public issuance of A Share Convertible Bonds may not proceed or may not become effective. The Board advises the investors and Shareholders to exercise caution when dealing in the securities of the Bank.**



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“A Share Convertible Bonds” or “Convertible Bonds”	convertible corporate bonds which can be converted into new A Shares proposed to be issued by the Bank in the PRC with an aggregate amount of not more than RMB13 billion (RMB13 billion inclusive)
“A Share(s)”	ordinary share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, which are listed on the Main Board of the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of A Shares
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Bank”	Bank of Chongqing Co., Ltd. (重慶銀行股份有限公司), a joint stock company incorporated in the PRC, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 01963) and whose A Shares are listed on the Main Board of the Shanghai Stock Exchange (Stock Code: 601963)
“Board”	the board of Directors
“CB Conversion Price”	the price at which the new A Shares will be issued upon conversion of the Convertible Bonds, as may be adjusted from time to time
“CB Holders”	holders of the Convertible Bonds proposed to be issued
“Chongqing Yufu”	Chongqing Yufu Capital Operation Group Co., Ltd. (重慶渝富資本運營集團有限公司)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Bank
“EGM”	the extraordinary general meeting of the Bank to be convened and held at the headquarter of the Bank on Thursday, 17 March 2022, for the purposes of considering and, if thought fit, approving the Subscription, the detailed time and location of the meeting will be announced in due course
“Guotai Junan”	Guotai Junan Capital Limited, being a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial advisor appointed by the Bank to the Independent Board Committee and Independent Shareholders in relation to the Subscription to be proposed at the EGM

“H Share(s)”	overseas-listed foreign shares in the share capital of the Bank with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong Dollars
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, being Dr. LIU Xing, Mr. WANG Rong, Dr. ZOU Hong, Dr. FUNG Don Hau and Mr. YUAN Xiaobin, which has been established by the Board to advise the Independent Shareholders on the Subscription
“Independent Shareholders”	Shareholders other than those who have a material interest in the relevant resolution in relation to the Subscription to be proposed at the EGM
“Issuance of A Share Convertible Bonds”	the issuance of A Share Convertible Bonds (including the Subscription) by the Bank in accordance with the Proposal on Issuance of A Share Convertible Bonds
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposal on Issuance of A Share Convertible Bonds”	the proposal on the issuance of A Share Convertible Bonds considered and approved by the Shareholders at the general meeting of 2020 and class meetings of the Bank on 20 May 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of par value RMB1.00 each in the share capital of the Bank (including A Shares and/or H Shares)
“Shareholder(s)”	holder(s) of Share(s) of the Bank
“Subscription”	the subscription of A Share Convertible Bonds by Chongqing Yufu and its associates in accordance with the terms of the undertakings from Chongqing Yufu and the maximum subscription amount shall be RMB3.0 billion



“substantial shareholder” has the meaning as ascribed to it under the Listing Rules

“Supervisor(s)” the supervisor(s) of the Bank

On behalf of the Board  
**Bank of Chongqing Co., Ltd.\***  
**LIN Jun**  
Chairman

Chongqing, the PRC  
14 February 2022

*As at the date of this announcement, the executive directors of the Bank are Ms. LIN Jun, Mr. RAN Hailing, Mr. LIU Jianhua and Mr. WONG Wah Sing; the non-executive directors are Mr. WONG Hon Hing, Mr. YANG Yusong, Mr. WU Heng and Ms. ZHONG Xian; and the independent non-executive directors are Dr. LIU Xing, Mr. WANG Rong, Dr. ZOU Hong, Dr. FUNG Don Hau and Mr. YUAN Xiaobin.*

\* *The Bank holds a financial licence number B0206H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000202869177Y. The Bank is not an authorised institution within the meaning of Hong Kong 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.*