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**中國泛海國際金融有限公司**

**CHINA OCEANWIDE INTERNATIONAL FINANCIAL LIMITED**

*(Formerly known as Quam Limited)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 952)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
SUBSCRIPTION OF OFFSHORE PREFERENCE SHARES**

**Financial Adviser to China Oceanwide International Financial Limited**



**中國泛海企業融資**  
**OCEANWIDE CAPITAL**

**THE SUBSCRIPTION**

On 22 September 2017, the Offshore Preference Shares in the subscription amount of US\$50,000,000 was confirmed to be allocated to the Company.

**LISTING RULES IMPLICATION**

As the highest of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**THE SUBSCRIPTION**

On 22 September 2017, the Offshore Preference Shares in the subscription amount of US\$50,000,000 was confirmed to be allocated to the Company.

The consideration for the Subscription will be funded partly by internal resources of the Group and partly by financing from a financial institution.

## PRINCIPAL TERMS OF THE OFFSHORE PREFERENCE SHARES

Set out below are the principal terms of the Offshore Preference Shares:

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer:                             | Postal Savings Bank of China Co., Ltd. (Stock Code: 1658)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Preference shares offered:          | US\$7,250,000,000 4.50% non-cumulative perpetual offshore preference shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Liquidation Preference:             | Issuance price of the Offshore Preference Share will be US\$20 each                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Issue date:                         | 27 September 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Maturity date:                      | The Offshore Preference Shares are perpetual and have no maturity date. The Offshore Preference Shares are not redeemable at the option of the holders of the Offshore Preference Shares, and the holders of the Offshore Preference Shares do not have the right to put back the Offshore Preference Shares to the Issuer.                                                                                                                                                                                                                                            |
| Dividend rate:                      | <p>The Offshore Preference Shares will accrue Dividends on their Liquidation Preference at the relevant Dividend Rate below:</p> <p>(a) from and including the Issue Date to but excluding the First Reset Date, at the rate of 4.50% per annum; and</p> <p>(b) thereafter, in respect of the period from and including the First Reset Date and each Reset Date falling thereafter to but excluding the immediately following Reset Date, at the relevant Reset Dividend Rate.</p>                                                                                    |
| Status and rights upon liquidation: | <p>Upon the winding-up of the Issuer, holders of the Offshore Preference Shares shall rank:</p> <p>(a) junior to holders of:</p> <p>(i) all liabilities of the Issuer including any tier 2 capital instruments; and</p> <p>(ii) obligations issued or guaranteed by the Issuer that rank, or are expressed to rank, senior to the Offshore Preference Shares;</p> <p>(b) equally in all respects with each other and without preference among themselves and with the holders of Parity Obligations; and</p> <p>(c) in priority to holders of the Ordinary Shares.</p> |
| Conversion:                         | If any Trigger Event occurs, the Issuer shall (having notified and obtained the consent of the CBRC but without the need for the consent of the holders of the Offshore Preference Shares or holders of the Ordinary Shares):                                                                                                                                                                                                                                                                                                                                          |

- (a) cancel any dividend in respect of the relevant Loss Absorption Amount that is unpaid accrued up to and including the Conversion Date; and
- (b) irrevocably and compulsorily convert with effect from the Conversion Date all or some of the Offshore Preference Shares into such number of H Shares as is equal to (i) the Loss Absorption Amount held by the holders of the Offshore Preference Shares (as converted into Hong Kong dollars at the fixed exchange rate of US\$1.00 to HK\$7.7672) divided by (ii) the effective conversion price rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares.

Conversion price: The initial conversion price is HK\$4.83 per H Share, subject to adjustment.

Optional redemption: The Issuer may, subject to obtaining CBRC approval and compliance with the conditions to the distribution of Dividends, upon not less than 30 nor more than 60 days' notice to the holders of the Offshore Preference Shares and the Fiscal Agent, redeem in whole or in part of the Offshore Preference Shares on the First Reset Date and on any Dividend Payment Date thereafter until all the Offshore Preference Shares have been redeemed or converted. The redemption price for each Offshore Preference Share so redeemed shall be the aggregate of an amount equal to its Liquidation Preference plus any declared but unpaid Dividends in respect of the period from (and including) the immediately preceding Dividend Payment Date to (but excluding) the date scheduled for redemption.

Listing: The Offshore Preference Shares will be listed on the Stock Exchange.

## **INFORMATION OF THE ISSUER**

The Issuer is a joint stock limited liability company incorporated in the PRC, with its H Shares listed on the Stock Exchange (stock code: 1658). The Issuer together with its subsidiaries are principally engaged in the business of personal and corporate financial services, treasury operations and other business activities as approved by the CBRC.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in (i) discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing and money lending services, insurance broking and wealth management services; (ii) corporate finance advisory and general advisory services; (iii) fund management, discretionary portfolio management and portfolio management advisory services; (iv) investor relation, online advertising and financial information services; and (v) investment holding and securities trading.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Offshore Preference Shares have a fixed dividend rate. In the event of redemption, the Offshore Preference Shares will be redeemed at 100% of the issue price. In addition, the Offshore Preference Shares may be converted to H Shares only after the occurrence of certain events. Given the nature of the Offshore Preference Shares and credit ratings of both of the Issuer and the Offshore Preference Shares, the Directors consider that the Subscription is a low risk investment that will generate stable income for the Group. Furthermore, the Subscription will diversify the investment portfolio of the Group. As such, the Directors consider that the terms of the Subscription are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATION

As the highest of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

|                                                      |                                                                                                                                                                                                                    |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Additional Tier 1 Capital Instrument Trigger Event” | the Core Tier 1 Capital Adequacy Ratio of the Issuer has fallen to 5.125% or below                                                                                                                                 |
| “Board”                                              | the board of Directors                                                                                                                                                                                             |
| “Capital Management Rules”                           | the Measures on Capital Management of Commercial Banks (Trial) issued by the CBRC on 7 June 2012 and which became effective on 1 January 2013 (as amended from time to time)                                       |
| “CBRC”                                               | China Banking Regulatory Commission or any successor entity                                                                                                                                                        |
| “Company”                                            | China Oceanwide International Financial Limited (formerly known as Quam Limited), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 952) |
| “connected persons”                                  | has the meaning ascribed it under the Listing Rules                                                                                                                                                                |
| “Conversion”                                         | conversion of the Offshore Preference Shares to H Shares pursuant to the mechanism as set forth under the paragraph headed “Principal terms of Offshore Preference Shares — Conversion” in this announcement       |

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| “Conversion Date”                    | the day immediately following: <ul style="list-style-type: none"> <li>(a) in respect of any Additional Tier 1 Capital Instrument Trigger Event, the date (whichever occurs later) on or by which (i) the CBRC has decided such Additional Tier 1 Capital Instrument Trigger Event has occurred and notified the Issuer of such Additional Tier 1 Capital Instrument Trigger Event and (ii) any of the CBRC or the Issuer has made a public announcement of such Additional Tier 1 Capital Instrument Trigger Event; or</li> <li>(b) in respect of any Non-Viability Trigger Event, the date (whichever occurs later) on or by which (i) the CBRC or the relevant authorities has decided such Non-Viability Trigger Event has occurred and notified the Issuer of such Non-Viability Trigger Event and (ii) any of the CBRC, the relevant authorities or the Issuer has made a public announcement of such Non-Viability Trigger Event</li> </ul> |
| “Core Tier 1 Capital”                | has the meaning given to “Core Tier 1 Capital” (or any equivalent or successor term) in the Capital Management Rules                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “Core Tier 1 Capital Adequacy Ratio” | has the meaning given to “Core Tier 1 Capital Adequacy Ratio” (or any equivalent or successor term) in the Capital Management Rules, as at any date being the ratio of Core Tier 1 Capital of the Issuer as of such date to the risk-weighted assets of the Issuer as of the same date, expressed as a percentage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Directors”                          | the directors of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Dividend”                           | non-cumulative dividends that each holder of the Offshore Preference Shares shall be entitled to receive which have not otherwise been cancelled, payable annually in arrear                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Dividend Payment Date”              | 27 September in each year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Dividend Rate”                      | the initial dividend rate (from and including the Issue Date to but excluding the First Reset Date, at the rate of 4.50% per annum) and/or the applicable Reset Dividend Rate, as the case may be                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Domestic Shares”                    | the domestic shares of the Issuer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “First Reset Date”                   | 27 September 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Fiscal Agent”                       | The Bank of New York Mellon, London Branch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “Group”                              | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “H Shares”                           | issued ordinary shares in the share capital of the Issuer with a nominal value of RMB1.00 each, which are subscribed and traded in Hong Kong dollars and listed on the Stock Exchange under the stock code 1658                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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| “HK\$”                        | Hong Kong Dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Issuer”                      | Postal Savings Bank of China Co., Ltd., a joint stock limited liability company incorporated in the PRC, with its H Shares listed on the Stock Exchange (stock code: 1658)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “Issue Date”                  | 27 September 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “Listing Rules”               | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “Liquidation Preference”      | the total issuance price of each Offshore Preference Share, which will be US\$20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “Loss Absorption Amount”      | <p>the aggregate Liquidation Preference of the Offshore Preference Shares to be converted, being:</p> <p>(a) in respect of an Additional Tier 1 Capital Instrument Trigger Event:</p> <p>(i) the number of Offshore Preference Shares that (together with the write-off and/or conversion of any loss absorbing instruments) would be sufficient to restore the Issuer’s Core Tier 1 Capital Adequacy Ratio to above 5.125%; or</p> <p>(ii) if the Conversion of all the Offshore Preference Shares (together with the write-off and/or conversion of any loss absorbing instruments) would be insufficient to restore the Issuer’s Core Tier 1 Capital Adequacy Ratio to above 5.125%, all of the Offshore Preference Shares; and</p> <p>(b) in respect of a Non-Viability Trigger Event, all of the Offshore Preference Shares</p> |
| “Non-Viability Trigger Event” | the earlier of: (i) the CBRC having decided that without a conversion or write-off, the Issuer would become nonviable; and (ii) the relevant authorities having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become nonviable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Offshore Preference Shares”  | the non-cumulative perpetual offshore preference shares to be issued by the Issuer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| “Ordinary Shares”             | the H Shares and the Domestic Shares and any other class of ordinary shares of the Issuer in issue from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| “Parity Obligations”       | any other class of preference shares in the capital of the Issuer issued from time to time and any other obligations that rank or are expressed to rank equally with the Offshore Preference Shares (either issued directly by the Issuer or by a subsidiary where the terms of such obligations benefit from a guarantee or support agreement whereby obligations therein rank or are expressed to rank equally to the Offshore Preference Shares), whether issued in or outside of the PRC |
| “PRC”                      | the People’s Republic of China                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Reset Date”               | the First Reset Date and each date that falls five, or a multiple of five, years following the First Reset Date                                                                                                                                                                                                                                                                                                                                                                              |
| “Reset Determination Date” | in relation to a Reset Period, the day falling three calculation business days prior to the Reset Date on which such Reset Period commences                                                                                                                                                                                                                                                                                                                                                  |
| “Reset Dividend Rate”      | the dividend rate per annum (expressed as a percentage) representing the sum of the benchmark rate as at the relevant Reset Determination Date in relation to that Reset Period and a fixed margin of 2.634% per annum, as determined by the calculation agent                                                                                                                                                                                                                               |
| “Reset Period”             | the period from and including the First Reset Date to but excluding the next succeeding Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date                                                                                                                                                                                                                                                                               |
| “RMB”                      | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “Shareholders”             | shareholder(s) of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Subscription”             | the subscription of the Offshore Preference Shares in the subscription amount of US\$50,000,000 by the Company                                                                                                                                                                                                                                                                                                                                                                               |
| “Trigger Event”            | an Additional Tier 1 Capital Instrument Trigger Event or a Non-Viability Trigger Event                                                                                                                                                                                                                                                                                                                                                                                                       |
| “US\$”                     | United States Dollar(s), the lawful currency of the United States of America                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “%”                        | per cent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

On behalf of the Board  
**China Oceanwide International Financial Limited**  
**HAN Xiaosheng**  
*Chairman*

Hong Kong, 22 September 2017

*As at the date of this announcement, the board of directors of China Oceanwide International Financial Limited comprises six executive directors, namely Mr. HAN Xiaosheng, Mr. ZHANG Bo, Mr. Bernard POULIOT, Mr. ZHANG Xifang, Mr. LIU Hongwei and Mr. Kenneth LAM Kin Hing; three non-executive directors, namely Mr. LIU Bing, Mr. FENG Henian and Mr. ZHAO Xiaoxia; and four independent non-executive directors, namely Mr. Roy LO Wa Kei, Mr. KONG Aiguo, Mr. HE Xuehui and Mr. HUANG Yajun.*