

Adjustments made to Exchange Property in respect of the US\$1bn Exchangeable Bonds (ISIN: XS1759625491) due 2025 exchangeable into ordinary shares of Postal Savings Bank of China Co., Ltd. ("PSBC") issued by Poseidon Finance 1 Ltd.

CSIC Investment One Limited ("CSIC"), on behalf of Poseidon Finance 1 Ltd., gives notice to Bondholders (pursuant to the Terms and Conditions of the Bonds (the "Conditions")) of adjustments made to the Exchange Property pursuant to the payment of Capital Distributions in the form of cash dividend by PSBC, as further described below.

The Profit Distribution for 2017 and Adjustment to Exchange Property

On June 28, 2018, PSBC declared its annual dividend of HK\$0.175 (including tax) per share to the holders of the H Shares for its financial year ended December 31, 2017.

On July 19, 2018, CSIC, on behalf of Poseidon Finance 1 Ltd., gave notice to Bondholders regarding the expected adjustment to Exchange Property pursuant to the Conditions that the Capital Distribution by way of a cash dividend payment by PSBC of HK\$0.175 per share constitutes a Relevant Event and, accordingly, the cash (net of any taxes) attributable to the Exchange Property as a result of such Relevant Event shall be included as part of the Exchange Property.

On August 17, 2018, Poseidon Finance 1 Ltd. received the cash dividends net of 10% withholding tax, in the actual amount of HK\$ 204,386,639.00. Consequently, the Exchange Property was adjusted to 1,297,692,946 Shares and HK\$ 204,386,639.00 in cash effective from August 17, 2018. The exchange ratio was changed to 1,297.6929 PSBC Shares and HK\$ 204.39 per US\$1,000 in nominal value of the Bonds.

The Profit Distribution for 2018 and Adjustment to Exchange Property

On May 30, 2019, PSBC declared its annual dividend of HK\$ 0.220 (including tax) per share to the holders of the H Shares for its financial year ended December 31, 2018. On July 19, 2019, the dividends were received net of 10% withholding tax, in the actual amount of HK\$ 256,943,203.31.

Pursuant to the Conditions, the Capital Distribution by way of a cash dividend payment by PSBC constitutes a Relevant Event and, accordingly, the cash (net of any taxes) attributable to the Exchange Property as a result of such Relevant Event, being HK\$ 256,943,203.31, shall be included as part of the Exchange Property. Consequently, the Exchange Property was adjusted to 1,297,692,946 Shares and HK\$ 461,329,842.30 in cash effective from July 19, 2019. The exchange ratio was changed to 1,297.6929 PSBC Shares and HK\$ 461.33 per US\$1,000 in nominal value of the Bonds.

The Profit Distribution for 2019 and Adjustment to Exchange Property

On May 28, 2020, PSBC declared its annual dividend of HK\$ 0.228625 (including tax) per share to the holders of the H Shares for its financial year ended December 31, 2019. On July 17, 2020, the dividends were received net of 10% withholding tax, in the actual amount of HK\$ 267,019,444.31.

Pursuant to the Conditions, the Capital Distribution by way of a cash dividend payment by PSBC constitutes a Relevant Event and, accordingly, the cash (net of any taxes) attributable to the Exchange Property as a result of such Relevant Event, being HK\$ 267,019,444.31, shall be included as part of the Exchange Property. Consequently, the Exchange Property was adjusted to 1,297,692,946 Shares and HK\$ 728,346,387.10 in cash effective from July 17, 2020. The exchange ratio was changed to 1,297.6929 PSBC Shares and HK\$728.35 per US\$1,000 in nominal value of the Bonds.

The Profit Distribution for 2020 and Adjustment to Exchange Property

On Jun 29, 2021, PSBC declared its annual dividend of HK\$ 0.250649 (including tax) per share to the holders of the H Shares for its financial year ended December 31, 2020. On July 13, 2021, the dividends were received net of 10% withholding tax, in the actual amount of HK\$ 292,738,895.29.

Pursuant to the Conditions, the Capital Distribution by way of a cash dividend payment by PSBC constitutes a Relevant Event and, accordingly, the cash (net of any taxes) attributable to the Exchange Property as a result of such Relevant Event, being HK\$ 292,738,895.29, shall be included as part of the Exchange Property. Consequently, the Exchange Property was adjusted to 1,297,692,946 Shares and HK\$ 1,021,085,282.39 in cash effective from July 13, 2021. The exchange ratio was changed to 1,297.6929 PSBC Shares and HK\$1,021.09 per US\$1,000 in nominal value of the Bonds.

The Profit Distribution for 2021 and Adjustment to Exchange Property

On Jun 28, 2022, PSBC declared its annual dividend of HK\$ 0.290018 (including tax) per share to the holders of the H Shares for its financial year ended December 31, 2021. On Aug 10, 2022, the dividends were received net of 10% withholding tax, in the actual amount of HK\$ 338,651,137.91.

Pursuant to the Conditions, the Capital Distribution by way of a cash dividend payment by PSBC constitutes a Relevant Event and, accordingly, the cash (net of any taxes) attributable to the Exchange Property as a result of such Relevant Event, being HK\$ 338,651,137.91, shall be included as part of the Exchange Property. Consequently, the Exchange Property was adjusted to 1,297,433,408 Shares and HK\$ 1,359,532,202.30 in cash effective from Aug 10, 2022. The exchange ratio was changed to 1,297.6929 PSBC Shares and HK\$1,359.80 per US\$1,000 in nominal value of the Bonds.

The Profit Distribution for 2022 and Adjustment to Exchange Property

On Jun 30, 2023, PSBC declared its annual dividend of HK\$ 0.279724 (including tax) per share to the holders of the H Shares for its financial year ended December 31, 2022. On Aug 10, 2023, the dividends were received net of 10% withholding tax, in the actual amount of HK\$ 326,565,597.25.

Pursuant to the Conditions, the Capital Distribution by way of a cash dividend payment by PSBC constitutes a Relevant Event and, accordingly, the cash (net of any taxes) attributable to the Exchange Property as a result of such Relevant Event, being HK\$ 326,565,597.25, shall be included as part of the Exchange Property. Consequently, the Exchange Property was adjusted to 1,297,173,870 Shares and HK\$ 1,686,097,799.55 in cash effective from

Aug 10, 2023. The exchange ratio was changed to 1,297.6929 PSBC Shares and HK\$1,686.77 per US\$1,000 in nominal value of the Bonds.

This notice should be read in conjunction with PSBC's announcements to Hong Kong Stock Exchange in respect of the results of the annual general meeting dated 28 June 2018

(<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0628/LTN201806281476.pdf>), 30 May 2019
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0530/ltn201905301026.pdf>), 28 May 2020
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0528/2020052801355.pdf>), 29 June 2021
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0629/2021062901590.pdf>), 28 June 2022
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0628/2022062801275.pdf>), 30 June 2023
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0630/2023063001988.pdf>) and the Conditions set out in the Offering Circular dated 25 January 2018 relating to the Bonds.

Due to rounding, numbers presented throughout this notice may not add up precisely to the totals provided and the exchange ratio may not precisely reflect the absolute figures.

Unless the context requires otherwise, words and expressions defined or construed in the terms and conditions of the Bonds (which are in the form set out in schedule 3 to the trust deed dated 1 February 2018 between, among others, Poseidon Finance 1 Ltd as Issuer and GLAS Trustees Limited as trustee) shall have the same meanings when used in this notice.

CSIC Investment One Limited

August 11, 2023