

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Bank of Jinzhou Co., Ltd.[#], you should at once hand this Composite Document, together with the accompanying Forms of Acceptance, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms of the Offers. This Composite Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Forms of Acceptance.

Liaoning Financial Holding Group Co., Ltd.*

(A company incorporated in the People's
Republic of China with limited liability)



錦州銀行 Bank of Jinzhou Co., Ltd.*#

(A joint stock company incorporated in the People's
Republic of China with limited liability)
(Stock Code: 0416)

COMPOSITE DOCUMENT

- (1) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED ON BEHALF OF THE OFFEROR TO
ACQUIRE ALL OF THE ISSUED H SHARES IN THE BANK
- (2) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY THE
OFFEROR TO ACQUIRE ALL OF THE ISSUED DOMESTIC SHARES
IN THE BANK (OTHER THAN THOSE ALREADY HELD BY
THE OFFEROR AND ITS CONCERT PARTIES)
- (3) PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF THE BANK
- (4) NOTICE OF 2024 FIRST EXTRAORDINARY GENERAL MEETING
- (5) NOTICE OF THE H SHARE CLASS MEETING

Financial adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Capitalised terms used on this cover page shall have the same meanings given to them in the section headed "Definitions" in this Composite Document.

A letter from CICC containing, among other things, the principal terms of the Offers and the Delisting is set out on pages 9 to 22 of this Composite Document. A letter from the Board is set out on pages 23 to 28 of this Composite Document. A letter from the Independent Board Committee to the Shareholders containing its recommendation in respect of the Offers and the Delisting is set out on pages 29 to 30 of this Composite Document. A letter from Gram Capital to the Independent Board Committee in respect of the Offers and the Delisting is set out on pages 31 to 61 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. Acceptances of the H Share Offer should be received by the 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 not later than 4:00 p.m. on Friday, 15 March 2024 or such later time and/or date as the Offeror may decide and announce in accordance with the requirements under the Takeovers Code. Acceptances of the Domestic Share Offer should be sent by post to the Bank at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC or delivered personally on-site during working hours to the collection centre specifically set up by the Bank for the Domestic Share Offer at 6-54, Section 5, Nanjing Road, Linghe District, Jinzhou City, Liaoning Province, the PRC not later than 4:00 p.m. on Friday, 15 March 2024 or such later time and/or date as the Offeror may decide and announce in accordance with the requirements under the Takeovers Code.

Notices convening the Extraordinary General Meeting to approve the Delisting at 10:30 a.m. on Friday, 15 March 2024 and the H Share Class Meeting to approve the Delisting at 11:00 a.m. on Friday, 15 March 2024 (or immediately after the conclusion or adjournment of the Extraordinary General Meeting) are respectively set out in Appendices IV and V to this Composite Document. If you do not intend to attend the Extraordinary General Meeting and/or the H Share Class Meeting in person, you are urged to complete and return the form(s) of proxy in accordance with the instructions printed thereon as soon as possible. To be valid, the form(s) of proxy together with power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power of attorney or authority, must be deposited with the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holder of the H Shares), or the Bank's registered office at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC (for holder of Domestic Shares) not later than 24 hours before the time appointed for holding the Extraordinary General Meeting or the H Share Class Meeting and/or its any adjournment(s). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish. In the event that the Shareholder attends and votes at the meeting or any adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.

Persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Composite Document and/or the accompanying Forms of Acceptance to any jurisdiction outside of Hong Kong should read the section headed "Important Notices" in this Composite Document, the section headed "Overseas Shareholders" in the letter from CICC in this Composite Document and Appendix I to this Composite Document before taking any action. It is the responsibility of each overseas Shareholder wishing to accept the Offers to satisfy himself, herself or itself as to full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including obtaining any governmental, exchange control or other consents, or filing and registration requirements, which may be required to comply with all necessary formalities or legal or regulatory requirements and payment of any transfer or other taxes, duties and other required payments payable by such Shareholder in each relevant jurisdiction. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offers.

* For identification purpose only

Bank of Jinzhou 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

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Any changes to the timetable will be jointly announced by the Offeror and the Bank as and when appropriate.

Unless otherwise expressly stated, references to times and dates in this Composite Document and the Forms of Acceptance are to Hong Kong times and dates.

Despatch Date of this Composite Document and the accompanying Forms of Acceptance and the commencement of the Offers (*Note 1*) Friday, 23 February 2024

Latest time for lodging transfers of the H Shares and the Domestic Shares in order to be entitled to attend and vote at the Extraordinary General Meeting and the H Share Class Meeting 4:30 p.m. on Monday, 11 March 2024

Record Date for the determination of entitlements of the Shareholders to attend and vote at the Extraordinary General Meeting and the H Share Class Meeting Tuesday, 12 March 2024

Announcement of the results of valid acceptances received for the Offers as at the Record Date Tuesday, 12 March 2024

Closure of the register of the Bank for the determination of entitlements of the Shareholders to attend and vote at the Extraordinary General Meeting and the H Share Class Meeting Tuesday, 12 March 2024 to Friday, 15 March 2024 (both dates inclusive)

Latest time for lodging proxy form(s) in respect of the Extraordinary General Meeting (*Note 2*) 10:30 a.m. on Thursday, 14 March 2024

Latest time for lodging proxy form(s) in respect of the H Share Class Meeting (*Note 2*) 11:00 a.m. on Thursday, 14 March 2024

Extraordinary General Meeting 10:30 a.m. on Friday, 15 March 2024

EXPECTED TIMETABLE

H Share Class Meeting11:00 a.m. on Friday,
15 March 2024 (or immediately after
the conclusion or adjournment of the
Extraordinary General Meeting)

First Closing Date (*Note 3*)Friday, 15 March 2024

Latest time and date for acceptance of the
Offers on the First Closing Date (*Note 3*)4:00 p.m. on Friday,
15 March 2024

Announcement of the results of the Extraordinary
General Meeting and the H Share Class Meetingby 7:00 p.m. on Friday,
15 March 2024

Announcement of the results of the Offers as
at the First Closing Date on the website of
the Stock Exchangeno later than 7:00 p.m. on
Friday, 15 March 2024

Latest date for posting of remittances for the amounts due
in respect of valid acceptances received under the
Offers at or before 4:00 p.m. on the First Closing
Date (assuming the H Share Offer becomes or is
declared unconditional in all respects on the
First Closing Date) (*Notes 4 and 5*)Tuesday, 26 March 2024

Last Day of trading the H Shares on the Stock
Exchange (assuming the H Share Offer has
become unconditional in all respects on the
First Closing Date).Tuesday, 9 April 2024

Final Closing Date (assuming the H Share Offer
has become unconditional in all respects on
the First Closing Date) (*Note 6*)Friday, 12 April 2024

Announcement of details of withdrawal of the listing
of the H Shares from the Stock Exchange (assuming
the H Share Offer has become unconditional
in all respects on the First Closing Date).no later than 8:30 a.m. on
Friday, 12 April 2024

EXPECTED TIMETABLE

Latest time and date for the Offers remaining
open for acceptance on the Final Closing Date
and closing of the Offers (*Note 6*)4:00 p.m. on Friday,
12 April 2024

Announcement of the results of the H Share Offer
as at the Final Closing Date on the website of
the Stock Exchangeby 7:00 p.m. on Friday,
12 April 2024

Withdrawal of the listing of the H Shares
from the Stock Exchange4:00 p.m. on Monday,
15 April 2024

Latest date for posting of remittances for the
amounts due under the H Share Offer in respect of
valid acceptances of the H Share Offer on the
Final Closing Date (*Notes 4 and 5*)Tuesday, 23 April 2024

Latest time and date by which the Offers can
become or be declared unconditional as to
acceptances (*Note 7*)Tuesday, 23 April 2024

Latest time and date by which the Offers can
become or be declared unconditional in all
respects (*Note 8*)Tuesday, 14 May 2024

Notes:

1. The Offers are made on 23 February 2024, the date of this Composite Document, and are capable of acceptance on and from that date for the whole of the Offer Period.
2. Proxy form(s) should be duly completed and returned to, (a) in the case of holders of H Shares, the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and (b) in the case of holders of Domestic Shares, the Bank's registered office in the PRC at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC, as soon as possible and in any event not less than 24 hours before the time appointed for the Extraordinary General Meeting or the H Share Class Meeting or any adjournment thereof, and return of the proxy forms will not preclude a Shareholder from attending and voting in person at the Extraordinary General Meeting or the H Share Class Meeting or any adjourned meetings should they so wish. In the event that you attend and vote at Extraordinary General Meeting and/or the H Share Class Meeting (as applicable) after having deposited the relevant proxy form, that proxy form will be deemed to have been revoked.
3. In accordance with the Takeovers Code, the H Share Offer must initially be opened for acceptance for at least 21 days from the date of this Composite Document. The Offeror has the right under the Takeovers Code to extend the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any extension of the Offers, which will state either the next Offer Closing Date or, if the Offers are at that time unconditional as to acceptances, a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offers are closed to those Shareholders who have not accepted the Offers.

EXPECTED TIMETABLE

Beneficial owners of H Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant and who wish to accept the H Share Offer should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures and any deadlines set by HKSCC Nominees Limited.

4. Remittances in respect of the consideration for the H Shares tendered under the H Share Offer will be made by way of cheques, less seller's ad valorem stamp duty payable, will be despatched to those H Shareholders validly accepting the H Share Offer by ordinary post at their own risk as soon as possible but in any event no later than seven Business Days after (i) the date of receipt of a complete and valid acceptance in respect of the H Share Offer or (ii) the Offer Unconditional Date, whichever is the later.
5. As settlement of consideration under the Domestic Share Offer, which will be made via wire transfer by the Offeror, is subject to certain transfer and registration formalities and procedures imposed by CSDCC, which may require cooperation by the Domestic Shareholders and are not within the control of the Offeror, as such settlement arrangements would require more than seven Business Days to complete, the Offeror has applied to the Executive for, and the Executive has indicated that it is minded to grant, a waiver from strict compliance with Rule 20.1(a) of the Takeovers Code for the Domestic Share Offer. Remittances in respect of the cash consideration payable for the Domestic Shares tendered under the Domestic Share Offer will be made via wire transfer according to the bank account details of the transferor set out on the first page of the GREEN Form of Acceptance no later than seven Business Days following the later of (i) the date on which the Domestic Share Offer becomes or is declared unconditional in all respects and (ii) the date on which the registration and transfer to the Offeror of all the Domestic Shares tendered for acceptance under the Domestic Share Offer by the relevant Domestic Shareholder has been completed.
6. It is assumed that the H Share Offer is declared unconditional in all respects on the First Closing Date. In compliance with Note (i) to Rule 2.2 and Rule 15.3 of the Takeovers Code, the H Share Offer will be opened for acceptance for at least 28 days after the H Share Offer is declared unconditional.
7. In accordance with the Takeovers Code, except with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the Despatch Date. Accordingly, unless the Offers have previously become or been declared unconditional as to acceptances or have been extended with the consent of the Executive, the Offers will lapse on at 7:00 p.m. on 23 April 2024.
8. Except with the consent of the Executive, all Conditions must be fulfilled or waived, as applicable, or the Offers must lapse within 21 days of the First Closing Date or of the date the Offers become or are declared unconditional as to acceptances, whichever is the later.

IMPORTANT NOTICES

NOTICE TO U.S. HOLDERS OF SHARES

The Offers are being made for the securities of a joint stock company incorporated in PRC with limited liability and are subject to Hong Kong disclosure and other procedural requirements, which are different from those of the United States. The financial information included in this Composite Document has been prepared in accordance with IFRS and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. In addition, U.S. Shareholders should be aware that this Composite Document has been prepared in accordance with Hong Kong format and style, which differs from United States format and style. The Offers will be extended into the United States pursuant to the applicable U.S. tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Offers will be subject to Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, Offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offers by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offers. U.S. Shareholders may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as each of the Offeror and the Bank is located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. In addition, most of the assets of the Offeror and the Group are located outside the United States. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. Shareholders may encounter difficulty effecting service of process within the United States upon the Offeror or the Bank or their respective officers or directors or compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Offers, before or during the period in which the Offers remains open for acceptance. In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, CICC and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States and (ii) if applicable, the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and, to the extent made public by the SFC, will be available on the websites of the SFC at www.sfc.hk and the Stock Exchange at www.hkexnews.hk.

IMPORTANT NOTICES

NOTICE TO OVERSEAS SHAREHOLDERS

The Offers are being made for the securities of a joint stock company incorporated in PRC with limited liability and are subject to Hong Kong disclosure and other procedure requirements, which are different from those in other jurisdictions. The making of the Offers to Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited from accepting the Offers or affected by the laws of the relevant jurisdictions which may apply to the Offers and it is the responsibility of each such Shareholder who wishes to accept or take any other action in relation to the Offers to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any issue, transfer or other taxes due from such Shareholder in such relevant jurisdictions.

The Offeror, the Bank, CICC, the H Share Registrar, and parties acting in concert with any of them and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by the overseas Shareholders for any taxes as such person may be required to pay.

Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror, the Bank and their respective advisers (including CICC) that all applicable laws and requirements have been complied with by such Shareholder and that the Offers can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

For further information, please refer to the section headed “Overseas Shareholders” in Appendix I to this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Bank (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Composite Document include statements about the expected effects of the Offers on the Bank, the expected timing and scope of the Offers, and all other statements in this Composite Document other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions, as well as additional factors,

IMPORTANT NOTICES

such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group's business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Bank or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the date of this Composite Document.

Any forward-looking statement contained in this Composite Document based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Composite Document is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Bank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below, unless the context requires otherwise:

1H2023 Results	the interim financial results of the Bank for the six months ended 30 June 2023
acting in concert	has the meaning given to it in the Takeovers Code and “concert party” shall be construed accordingly
Announcement	the joint announcement issued by the Offeror and the Bank dated 26 January 2024 in relation to, among other things, the Offers and the Delisting pursuant to Rule 3.5 of the Takeovers Code
associate(s)	has the meaning given to it in the Takeovers Code
Bank	Bank of Jinzhou Co., Ltd.*# (錦州銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 0416)
Board	the board of Directors of the Bank
Business Day	a day on which the Stock Exchange is open for the transaction of business
CBIRC	the China Banking and Insurance Regulatory Commission, on the basis of which the National Administration of Financial Regulation was formed in May 2023
CCASS	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
Chengfang Huida	Beijing Chengfang Huida Corporate Management Co., Ltd.* (北京成方匯達企業管理有限公司)
China Great Wall AMC	China Great Wall Asset Management Co., Ltd.* (中國長城資產管理股份有限公司)

DEFINITIONS

CICC	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in respect of the Offers. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Cinda Investment	Cinda Investment Co., Ltd.* (信達投資有限公司)
Completion Long Stop Date	26 October 2024, or such later date as the Offeror and the Bank may agree or, to the extent applicable, to which the Executive may consent
Composite Document	this composite offer and response document in respect of the Offers jointly issued by the Offeror and the Bank in accordance with the Takeovers Code, as may be revised or supplemented as appropriate
Concert Parties	parties acting in concert with the Offeror, including but not limited to CICC (except in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code and excluding the Shares held on behalf of non-discretionary investment clients), Chengfang Huida, ICBC Investment, Cinda Investment and China Great Wall AMC
Concert Party Agreement	the agreement entered into between the Offeror, Chengfang Huida, ICBC Investment, Cinda Investment and China Great Wall AMC dated 8 January 2024
Conditions	the conditions to the H Share Offer, as set out in the section headed “Conditions to the Offers” in the letter from CICC in this Composite Document
CSDCC	China Securities Depository and Clearing Corporation Limited
Delisting	the voluntary withdrawal of the Listing
Despatch Date	23 February 2024, being the date of despatch of this Composite Document to the Shareholders as required by the Takeovers Code

DEFINITIONS

Director(s)	director(s) of the Bank
Domestic Share(s)	ordinary share(s) in the capital of the Bank, with a nominal value of RMB1.00, which are subscribed for and paid up in RMB
Domestic Shareholder(s)	the registered holders of the Domestic Share(s) from time to time
Domestic Share Offer	the voluntary conditional cash offer to be made by the Offeror to acquire all of the Domestic Shares (other than those owned, controlled or agreed to be acquired by the Offeror and its Concert Parties)
Domestic Share Offer Price	the cash offer price of the Domestic Share Offer, being RMB1.25 per Domestic Share, being the RMB equivalent of the H Share Offer Price at the Exchange Rate
Exchange Rate	the exchange rate of HK\$1: RMB0.90909, which is the latest available central parity rate of RMB to Hong Kong Dollar as at the date of the Announcement as announced by the People's Bank of China
Executive	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
Extraordinary General Meeting	the 2024 first extraordinary general meeting of the Shareholders to be convened at 10:30 a.m. on 15 March 2024, and any adjournment thereof, for the purpose of approving the Delisting
Final Closing Date	12 April 2024, on the assumption that the H Share Offer become unconditional in all respects on the First Closing Date and the Offers will be open for acceptance for 28 days after the First Closing Date in accordance with Note (i) to Rule 2.2 of the Takeovers Code
First Closing Date	15 March 2024, or such later date as may be determined and announced by the Offeror in accordance with the Takeovers Code
Form(s) of Acceptance	the GREEN Form of Acceptance and the WHITE Form of Acceptance

DEFINITIONS

FY2022 Results	the audited financial results of the Bank for the financial year ended 31 December 2022
Green Form of Acceptance	the green form of acceptance and transfer in respect of the Domestic Share Offer which accompanies this Composite Document
Group	the Bank and its subsidiaries and “member of the Group” shall be construed accordingly
H Share(s)	the H share(s) of the Bank representing approximately 25.16% of the issued share capital of the Bank, and which are listed on the Stock Exchange
H Share Class Meeting	the class meeting of H Shareholders to be convened at 11:00 a.m. on 15 March 2024 (or immediately after the conclusion or adjournment of the Extraordinary General Meeting), and any adjournment thereof, for the purpose of approving the Delisting
H Share Offer	the voluntary conditional cash offer to be made by CICC on behalf of the Offeror to acquire all of the H Shares (other than those agreed to be acquired by the Offeror and its Concert Parties)
H Share Offer Price	the cash offer price of the H Share Offer, being HK\$1.38 per H Share
H Share Registrar	Computershare Hong Kong Investor Services Limited
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
ICBC Investment	ICBC Financial Assets Investment Co., Ltd.* (工銀金融資產投資有限公司)
IFRS	International Financial Reporting Standards

DEFINITIONS

Independent Board Committee	the independent committee of the Board (comprising Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, Mr. Wang Xiongyuan and Mr. Su Mingzheng, being all the independent non-executive Directors) established for the purpose of advising the Shareholders in respect of the Offers and the Delisting pursuant to the requirements of the Takeovers Code
Independent Domestic Shareholders	the Domestic Shareholders other than the Offeror and its Concert Parties
Independent Domestic Shares	Domestic Shares held by the Independent Domestic Shareholders
Independent Financial Adviser or Gram Capital	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Bank to advise the Independent Board Committee in relation to the Offers and the Delisting
Independent H Shareholder(s) or H Shareholder(s)	the registered holders of the H Share(s) from time to time
Independent H Shares	H Shares held by the Independent H Shareholders
Independent Shareholders	the Independent Domestic Shareholders and the Independent H Shareholders
Last Trading Date	19 January 2023, being the last day on which the H Shares were traded on the Stock Exchange prior to the publication of the Announcement pursuant to Rule 3.5 of the Takeovers Code
Last Trading Period	the period beginning six months prior to 19 January 2023, being the Last Trading Date, and up to the Last Trading Date, both dates inclusive
Latest Practicable Date	20 February 2024, being the latest practicable date prior to the printing of this Composite Document for the purpose of ascertaining certain information for inclusion in this Composite Document
Listing	the listing of the H Shares on the Stock Exchange

DEFINITIONS

Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
NDRC	National Development and Reform Commission of the PRC
NMC Statement	the statement in the section headed “4. MATERIAL CHANGES” of Appendix II Financial Information of the Group of this Composite Document
Offer Closing Date	the First Closing Date or any subsequent offer closing date of the Offers as may be extended or revised in accordance with the Takeovers Code
Offer Period	has the meaning given to it under the Takeovers Code, being the period from the date of the Announcement until the latest of: (1) the date when the Offers close for acceptances (i.e. the Offer Closing Date); (2) the date when the Offers lapse; (3) the time when the Offeror announces that the Offers will not proceed; and (4) the date when an announcement is made of the withdrawal of the Offers
Offer Price	the H Share Offer Price and the Domestic Share Offer Price
Offer Shares	the Shares which are subject to the Offers
Offer Unconditional Date	the date on which the H Share Offer becomes or is declared unconditional in all respects
Offeror	Liaoning Financial Holding Group Co., Ltd.* (遼寧金融控股集團有限公司), a company incorporated in the PRC with limited liability. The sole shareholder of the Offeror is the Department of Finance of Liaoning Province, which holds 100% of the shares in the Offeror as at the Latest Practicable Date
Offers	the Domestic Share Offer and the H Share Offer
Origin Flight	Origin Flight Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Offeror

DEFINITIONS

PRC	the People's Republic of China (for the sole purpose of construing this Composite Document, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region)
Relevant Authorities	relevant governments, governmental and/or quasi-governmental bodies, statutory and/or regulatory bodies, courts or institutions
Relevant Period	the period commencing from 26 July 2023, being the date falling six months preceding the date of the Announcement, up to and including the Latest Practicable Date
Relevant Statement	paragraph (b) of the NMC Statement
RMB	Renminbi, the lawful currency of the PRC
SAFE	the State Administration of Foreign Exchange of the PRC or its local authorities (as applicable)
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shareholders	holders of Shares entered in the register of members of the Bank
Shares	ordinary shares of RMB1.00 each in the issued share capital of the Bank
Stock Exchange	The Stock Exchange of Hong Kong Limited
subsidiary	has the meaning given to it under the Listing Rules
Takeovers Code	the Code on Takeovers and Mergers in Hong Kong
United States or U.S.	the United States of America
WHITE Form of Acceptance	the white form of acceptance and transfer in respect of the H Share Offer which accompanies this Composite Document

DEFINITIONS

% per cent.

* *For identification purpose only*

Bank of Jinzhou 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*

LETTER FROM CICC



23 February 2024

To the Shareholders

Dear Sir or Madam,

- (1) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED ON BEHALF OF THE OFFEROR TO
ACQUIRE ALL OF THE ISSUED H SHARES IN THE BANK**
- (2) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY THE
OFFEROR TO ACQUIRE ALL OF THE ISSUED DOMESTIC SHARES
IN THE BANK (OTHER THAN THOSE ALREADY HELD BY
THE OFFEROR AND ITS CONCERT PARTIES)**
- (3) PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF THE BANK**

1. INTRODUCTION

On 26 January 2024, the Offeror and the Bank jointly announced that (i) CICC, on behalf of the Offeror, will make a voluntary conditional general cash offer to acquire all of the issued H Shares at the H Share Offer Price of HK\$1.38 per H Share, and (ii) the Offeror will make a voluntary conditional general cash offer to acquire all of the issued Domestic Shares (other than those already held by the Offeror and the Concert Parties) at the Domestic Share Offer Price of RMB1.25 per Domestic Share.

This letter forms part of this Composite Document and sets out information on the Offeror, the reasons for making the Offers and the intentions of the Offeror in relation to the Bank. The terms of the Offers are set out in this letter, Appendix I to this Composite Document and in the accompanying Forms of Acceptance.

Your attention is also drawn to the letter from the Board on pages 23 to 28, the letter from the Independent Board Committee on pages 29 to 30 and the letter from the Independent Financial Adviser on pages 31 to 61 of this Composite Document.

Terms defined in this Composite Document have the same meanings in this letter unless the context otherwise requires.

LETTER FROM CICC

2. THE OFFERS

For each H Share, the H Share Offer Price is HK\$1.38 in cash.

For each Domestic Share, the Domestic Share Offer Price, RMB1.25 in cash,
which is equivalent to the H Share Offer Price at the
Exchange Rate is

The Offeror will not increase the Offer Price, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the H Share Offer Price and the Domestic Share Offer Price.

If any dividend, other distribution or return of capital (whether in cash or in kind) is announced, declared, made or paid in respect of the Shares after the date of the Announcement, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, other distribution or return of capital, in which case any reference in the Announcement, this Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. As at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid to the Shareholders generally. The Bank has confirmed that it does not intend to announce, declare, make or pay any dividend, other distribution or return of capital during the Offer Period.

The Offers are made in compliance with the Takeovers Code. The Offer Shares to be acquired under the Offers shall be fully paid and shall be acquired free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights and benefits attaching to them or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the date on which such Offer Shares are transferred to the Offeror.

3. CONDITIONS TO THE OFFERS

The H Share Offer is subject to the fulfilment of the following Conditions:

- (a) the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose, provided that:
 - (i) approval is given by at least 75% of the votes (by way of poll) attaching to the H Shares held by the Independent H Shareholders present that are cast either in person or by proxy; and

LETTER FROM CICC

- (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of a special resolution by not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the Extraordinary General Meeting approving the Delisting;
- (c) valid acceptances of the H Share Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Offer Closing Date in respect of such number of H Shares which is not less than 90% of the issued H Shares held by the Independent H Shareholders;
- (d) the granting of the waiver by the Executive from the requirements under Rule 2.2(c) of the Takeovers Code;
- (e) no event having occurred or existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the H Share Offer void, unenforceable, illegal, impracticable or would prohibit implementation of the H Share Offer or impose any material and adverse conditions or obligations with respect to the H Share Offer;
- (f) there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions of the Group since the date of the Announcement; and
- (g) the granting of the waiver, if applied for, by the Executive from the requirements under Rule 20.1(a) of the Takeovers Code in respect of the Domestic Share Offer.

Conditions (e), (f) and (g) to the H Share Offer may be waived, either in whole or in part, either generally or in respect of any particular matter, at the sole discretion of the Offeror. Conditions (a) to (d) to the H Share Offer may not be waived in any event. If any of the Conditions is not satisfied or waived (as applicable) on or before the Completion Long Stop Date, the H Share Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any of the Conditions, other than Conditions (a) to (d) to the H Share Offer above, as a basis for not proceeding with the H Share Offer if the circumstances which give rise to the right to invoke any of the Conditions are of material significance to the Offeror in the context of the H Share Offer.

As at the Latest Practicable Date, the filing, registration or approval, as applicable, with or by (i) NDRC and (ii) SAFE in relation to the Offers have been completed and remain in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC.

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In addition to the Conditions, the Offers are made on the basis that acceptance of the Offers by any person will constitute a warranty by such person or persons to the Offeror that the Offer Shares, when acquired, would be acquired by the Offeror and would be sold by such person or persons free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights attaching to them as at the date on which such Offer Shares are transferred to the Offeror or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the date on which such Offer Shares are transferred to the Offeror.

The H Share Offer will initially be open for acceptances for at least 21 calendar days from the date of this Composite Document. Once all of the Conditions have been either satisfied or waived (if applicable), the H Share Offer will be declared unconditional and the H Share Offer will be extended for a subsequent period until 28 calendar days after the H Share Offer is declared unconditional (which is 14 days longer than the 14 calendar days normally required by Rule 15.3 of the Takeovers Code pursuant to Note (i) to Rule 2.2 of the Takeovers Code) before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer to process the transfer of their H Shares.

The Domestic Share Offer is subject to the H Share Offer becoming or being declared unconditional in all respects. This condition cannot be waived in any event.

WARNING: Completion of the Offers is subject to the Conditions being fulfilled or waived (as applicable). The issue of this Composite Document does not in any way imply that the Offers will be completed. The Offers may or may not become unconditional and will lapse if they do not become unconditional. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Bank. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

4. DELISTING

Upon the H Share Offer becoming unconditional and subject to the approval of the Delisting by the Shareholders at the Extraordinary General Meeting and the approval of the Delisting by the Independent H Shareholders at the H Share Class Meeting, the Bank will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules.

The Offeror has no rights under the laws of the PRC and the articles of association of the Bank to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in them holding securities that are not listed on the Stock Exchange or any other stock exchanges and the liquidity of such securities may be

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severely reduced. In addition, the Bank will no longer be subject to the requirements under the Listing Rules, and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

Independent H Shareholders should also note that if they do not agree to the Offers, they can vote against the Delisting at the H Share Class Meeting and/or the Extraordinary General Meeting. If the number of votes cast, by way of poll, against the Delisting at the H Share Class Meeting is more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, the Offers would not become unconditional and the Bank would remain listed on the Stock Exchange.

If the H Share Offer is completed, the H Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the Delisting will become effective.

The Offeror has applied to the Executive for, and the Executive has indicated that it is minded to grant, a waiver from the requirements under Rule 2.2(c) of the Takeovers Code, which requires a resolution to approve a delisting to be made subject to the relevant offeror(s) being entitled to exercise, and exercising, its rights of compulsory acquisition.

5. VALUE OF THE OFFERS

The H Share Offer Price of HK\$1.38:

- (a) equals to the closing price of HK\$1.38 per H Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) represents a premium of approximately 0.31% over the average closing price of approximately HK\$1.38 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date;
- (c) represents a premium of approximately 15.35% over the average closing price of approximately HK\$1.20 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date;
- (d) represents a premium of approximately 43.01% over the average closing price of approximately HK\$0.97 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date;

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- (e) represents a premium of approximately 36.46% over the average closing price of approximately HK\$1.01 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Date; and
- (f) represents a discount of approximately 71.94% to the net asset value per Share attributable to the ordinary shareholders of the Bank as at 30 June 2022 (i.e. RMB4.21 per Share, based on the mid-rate of the exchange rate between HK\$ and RMB as at 30 June 2022) (based on a total of 13,981,615,684 Shares in issue, the Group's unaudited total shareholders' equity attributable to the Bank of approximately HK\$80,334,389,000 and other equity instruments of approximately HK\$11,573,291,000 as at 30 June 2022 (extracted from the Bank's interim report for the six months ended 30 June 2022, based on the mid-rate of the exchange rate between HK\$ and RMB as at 30 June 2022)).

Highest and lowest closing prices of the H Shares

The H Shares have been suspended from trading on the Stock Exchange from 9:00 a.m. on 20 January 2023, and as at the Latest Practicable Date, the H Shares were still suspended from trading on the Stock Exchange. During the Last Trading Period, the highest closing price of H Shares as quoted on the Stock Exchange was HK\$1.40 per H Share on 18 November 2022 and from 14 December 2022 to 12 January 2023, and the lowest closing price of H Shares as quoted on the Stock Exchange was HK\$0.55 per H Share from 2 November 2022 to 4 November 2022.

Confirmation of financial resources

Assuming full acceptance of the Offers, the aggregate cash consideration payable by the Offeror under the Offers will amount to approximately HK\$4,853,901,600 in respect of the H Share Offer and RMB3,146,429,513.75 in respect of the Domestic Share Offer.

As at the Latest Practicable Date, the Bank does not have any outstanding options, warrants, derivatives and securities which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, warrants, derivatives or securities which are convertible or exchangeable into Shares.

Origin Flight, a wholly-owned subsidiary of the Offeror, has undertaken with the Offeror to pay on its behalf the cash consideration payable under the H Share Offer. The consideration payable under the Offers will be financed by the Offeror's own resources and/or external financing.

The Offeror has appointed CICC as its financial adviser in respect of the Offers. CICC, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy its payment obligations on full acceptance of the Offers in accordance with their terms.

LETTER FROM CICC

6. INFORMATION ON THE OFFEROR AND CONCERT PARTIES

The Offeror is a limited liability company incorporated in the PRC on 18 December 2019. Its scope of business includes: investment and capital management; capital investment services; non-public offering of securities investment funds; holding company services; financial information services. (Enterprise may choose their scope of business and carry out business activities freely in accordance with the law; For items requiring approval in accordance with the law, the business activities can only be commenced after approval by the relevant authorities.) The sole shareholder of the Offeror is the Department of Finance of Liaoning Province, which holds 100% of the shares in the Offeror as at the Latest Practicable Date.

Between 2019 and 2020, the Offeror and Chengfang Huida, ICBC Investment, Cinda Investment and China Great Wall AMC, four state-owned enterprises, invested in the Bank through acquisition of existing Shares and subscription of new Shares in order to support the Bank's reorganization and reform and to service the reform of the PRC's financial supply sector.

Taking into account the aforementioned reorganization and reform, the Offeror and the Concert Parties executed the Concert Party Agreement to implement the Offers.

Pursuant to the Concert Party Agreement, the Offeror, Chengfang Huida, ICBC Investment, Cinda Investment and China Great Wall AMC have agreed to act in concert in relation to the Bank in connection with the Offers, and that the Offeror shall be solely responsible for the conduct of the Offers.

Chengfang Huida, a limited liability company incorporated in the PRC on 15 May 2019, is one of the parties acting in concert with the Offeror. Its scope of business includes: enterprise management; market research; economic and trade consultation (Enterprises may choose their scope of business and carry out business activities freely in accordance with the law; For items requiring approval in accordance with the law, the business activities can only be commenced as approved after obtaining the approval of the relevant authorities; they shall not engage in business activities which are prohibited and restricted by the industrial policies of the city). The sole shareholder of Chengfang Huida is Huida Asset Management Co., Ltd., which holds 100% of the shares in Chengfang Huida as at the Latest Practicable Date. Huida Asset Management Co., Ltd. is in turn 90% owned by China Cinda Asset Management Co., Ltd., (listed on the Stock Exchange, stock code: 1359) and 10% owned by Zhongrun Economic Development Company Limited, a wholly-owned subsidiary of China Cinda Asset Management Co., Ltd.. Whilst the entire equity interest in Huida Asset Management Co., Ltd. is held directly and indirectly by China Cinda Asset Management Co., Ltd. as a nominal shareholder, both Huida Asset Management Co., Ltd. and Chengfang Huida are enterprises managed by the People's Bank of China and their voting rights are held and controlled by the People's Bank of China.

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ICBC Investment, a limited liability company incorporated in the PRC on 26 September 2017, is one of the parties acting in concert with the Offeror. Its scope of business includes: (i) purchasing a bank's corporate creditor claims for converting the claims into equity, and managing such equity; (ii) reorganising, transferring and disposing of other creditor claims which cannot be converted into equity; (iii) investing in the equity of enterprises for the purpose of swaps where the enterprises will use the entire equity investment to satisfy existing creditor claims; (iv) raising funds from qualified investors pursuant to laws and regulations and issuing private equity asset management products to support the implementation of swaps; (v) issuing financial debentures; (vi) obtaining funds through bond repurchase, inter-bank lending, inter-bank borrowing etc; (vii) carrying out the necessary investment management for self-operated funds and raised funds, where self-operated funds can be used towards businesses such as deposits at other banks, call loans to banks, purchase state debts or other fixed income securities, and raised funds should be used in a manner consistent with the agreed-upon purposes; (viii) providing financial consultation and advisory businesses relating to swaps; and (ix) conducting other businesses approved by the banking supervisory authority under the State Council. (For items requiring approval in accordance with the law, the business activities can only be commenced after approval by the relevant authorities). The sole shareholder of ICBC Investment is the Industrial and Commercial Bank of China Limited, which is listed on the Shanghai Stock Exchange (stock code: 601398) and the Stock Exchange (stock code: 1398) and holds 100% of the shares in ICBC Investment as at the Latest Practicable Date.

Cinda Investment, a limited liability company incorporated in the PRC on 1 August 2000, is one of the parties acting in concert with the Offeror. Its scope of business includes: external investment; commercial real estate management, hotel management, real estate management, asset management; asset restructuring; investment consultation; investment advisory. (Market entities may choose their scope of business and carry out business activities freely in accordance with the law; For items requiring approval in accordance with the law, the business activities can only be commenced as approved after obtaining the approval of the relevant authorities; they shall not engage in business activities which are prohibited and restricted by the State and the industrial policies of the city). The sole shareholder of Cinda Investment is China Cinda Asset Management Co., Ltd. (listed on the Stock Exchange, stock code: 1359), which holds 100% of the shares in Cinda Investment as at the Latest Practicable Date.

China Great Wall AMC, a joint stock company incorporated in the PRC on 2 November 1999, is one of the parties acting in concert with the Offeror. Its scope of business includes: acquisition, entrusted operation of non-performing assets of financial institutions, management, investment and disposal of non-performing assets; conversion of debt to equity, management, investment and disposal of equity assets; external investment; dealing in quoted securities; issuance of financing bonds, inter-bank lending and provision of financing to other financial institutions; bankruptcy management; financial, investment, legal and risk management consultation and advisory; asset and project valuation; approved asset securitization, financial custody and liquidation for financial institutions; operation of non-performing assets of non-financial institution; other businesses approved by the banking supervisory authority under the State Council. (Market entities may choose their scope of business and carry out business activities freely in accordance with the law; For operations requiring approval in accordance with the law, the business activities can only be commenced as approved after obtaining the approval of the relevant authorities; They shall not engage in business activities which are prohibited and restricted by the State and the industrial policies of the city). The controlling shareholder of China Great Wall AMC is the Ministry of Finance of the PRC, which holds approximately 73.53% of the shares in China Great Wall AMC as at the Latest Practicable Date.

LETTER FROM CICC

7. REASONS AND BENEFITS OF THE OFFERS

For the Offeror and the Bank

Given that the H Shares have been trading in a relatively low price range for most of the time before the suspension of trading in the Bank's H Shares, the trading volume in the H Shares has also been low. The average daily trading volume of the H Shares in the last 90 trading days, 180 trading days and 360 trading days up to and including the Last Trading Date represents only around 0.00015%, 0.00010% and 0.00007% of the total issued H Shares. Accordingly, the ability of the Bank to raise funds effectively from the equity market is extremely limited and the current listing status no longer provides a viable financing channel to the Bank's operations. Upon implementation of the Offers, the H Shares will be delisted from the Stock Exchange, which is conducive to saving costs associated with compliance and maintaining of the listing status and provide room for operational adjustment. The Bank will also be able to redeploy the relevant resources used for maintaining the listing status to the Bank's operations.

For the Shareholders

Suspension of trading in the Bank's H Shares was announced on 20 January 2023 and the Bank announced information regarding the significant financial reorganization on 2 February 2023. As there remain uncertainties in the relevant transactions at the Latest Practicable Date, the Bank intends to continue to postpone the publication of its audited financial results for the financial year ended 31 December 2022 and the interim financial results for the six months ended 30 June 2023, and as at the Latest Practicable Date, the Bank and its auditors still could not ascertain the timetable for publishing the aforementioned financial results. If by 19 July 2024, the Bank is still not able to remedy the substantive issue(s) causing the Bank's trading suspension, fulfill the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction, then pursuant to Rule 6.01A(1) of the Listing Rules, the Bank may be delisted by the Stock Exchange, resulting in the Bank's H Shares held by the H Shareholders becoming securities that are not listed on the Stock Exchange or any other stock exchange and may severely impact the liquidity of such securities. As stated in the paragraph headed "5. Value of the Offers" above, the H Share Offer Price represents a premium over the average closing price of the H Shares of the Bank as quoted on the Stock Exchange for the 30, 60, 120 and 180 trading days immediately prior to and including the Last Trading Date and equals to the closing price on the Last Trading Date. The Offeror believes that the Offers, if implemented, will provide an excellent opportunity for all Shareholders (excluding the Offeror and its Concert Parties) to realise their investment which is at risk of being delisted and illiquid for a cash consideration which represents an attractive premium over the average closing price of the H Shares as quoted on the Stock Exchange for the 60, 120 and 180 trading days immediately prior to and including the Last Trading Date.

LETTER FROM CICC

8. INTENTIONS OF THE OFFEROR WITH REGARD TO THE GROUP

After the implementation of the Offers, the Offeror has no intention of listing the Shares in other markets. Considering that the Bank is a regional commercial bank, after delisting, it will continue to establish itself locally with specialized operations and focus on its primary responsibilities and business. The Offeror may still, as needed based on actual circumstances, propose occasional strategic adjustments to the business, structure, and/or direction of the Group. Save as disclosed above, the Offeror will strive to maintain the Bank's existing business as much as possible.

The Offeror does not intend to make any significant changes to the continued employment of the employees of the Group. Following completion of the Offers, the employment contracts of all employees of the Group will continue.

9. GENERAL MATTERS RELATING TO THE OFFERS

Effect of accepting the Offers

By validly accepting the Offers, each Shareholder will sell to the Offeror their tendered Offer Shares and each Shareholder warrants to the Offeror that the Offer Shares, when acquired, would be acquired by the Offeror and would be sold by such Shareholder free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights and benefits attaching to them as at the date on which such Offer Shares are transferred to the Offeror or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the date on which such Offer Shares are transferred to the Offeror.

Stamp duty, taxation and independent advice

Seller's ad valorem stamp duty at the rate of 0.10% of (i) the value of the consideration arising on acceptances of the H Share Offer payable by the Offeror or (ii) if higher, the market value of the Offer Shares will be payable by the H Shareholders who accept the H Share Offer. The relevant amount of stamp duty payable by the H Shareholders who accept the H Share Offer will be deducted from the consideration payable to them under the H Share Offer.

The Offeror will bear buyer's ad valorem stamp duty in respect of acceptances of the H Share Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the H Shares in respect of which the H Share Offer is accepted.

A PRC stamp duty arising in connection with acceptances of the Domestic Share Offer will be payable by the relevant Shareholders and the Offeror respectively at a rate of 0.05% of the consideration in respect of the relevant acceptances of the Domestic Share, in accordance with the Stamp Duty Law of the PRC.

LETTER FROM CICC

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. It is emphasised that none of the Offeror, the Bank, CICC and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Overseas Shareholders

If you are an overseas Shareholder, please see the important information in the section headed “Overseas Shareholders” in Appendix I to this Composite Document.

Settlement of consideration

Settlement of the consideration under the H Share Offer will be made as soon as possible, but in any event no later than seven Business Days after (i) the date of receipt of a complete and valid acceptance in respect of the H Share Offer or (ii) the Offer Unconditional Date, whichever is the later.

As settlement of consideration under the Domestic Share Offer, which will be made via wire transfer by the Offeror, is subject to certain transfer and registration formalities and procedures imposed by CSDCC, which may require cooperation by the Domestic Shareholders and are not within the control of the Offeror, as such settlement arrangements would require more than seven Business Days to complete, the Offeror has applied to the Executive for, and the Executive has indicated that it is minded to grant, a waiver from strict compliance with Rule 20.1(a) of the Takeovers Code for the Domestic Share Offer. Duly completed acceptance forms and the relevant documents in respect of such acceptance must be received by the Offeror to render such acceptance of the Domestic Share offer complete and valid. Settlement of the consideration under the Domestic Share Offer will be made no later than seven Business Days following the later of (i) the date on which the Domestic Share Offer becomes or is declared unconditional in all respects and (ii) the date on which the registration and transfer to the Offeror of all the Domestic Shares tendered for acceptance under the Domestic Share Offer by the relevant Domestic Shareholder has been completed.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who validly accepts the Offers will be rounded up to the nearest cent.

For further information, please refer to the section headed “Settlement of the Offer” in Appendix I to this Composite Document.

LETTER FROM CICC

Interests in Shares and derivatives

As at the Latest Practicable Date, the issued share capital of the Bank is 13,981,615,684 Shares divided into 3,517,320,000 H Shares and 10,464,295,684 Domestic Shares.

As at the Latest Practicable Date, the Offeror holds 930,000,000 Domestic Shares (equivalent to approximately 8.89% of the Domestic Shares and approximately 6.65% of the issued Shares).

The table below sets out the shareholding structure of the Bank as at the Latest Practicable Date and immediately after the completion of the Offers (assuming that the Offers are fully accepted by the Shareholders):

Name of shareholders	As at the Latest Practicable Date			Immediately after completion of the Offers (assuming the Offers are fully accepted by the Shareholders)		
	Number of Shares	Approximate percentage of the same class of securities	Approximate percentage of the total issued share capital	Number of Shares	Approximate percentage of the same class of securities	Approximate percentage of the total issued share capital
Domestic Shares						
<i>Offeror and its Concert Parties</i>						
Offeror	930,000,000	8.89%	6.65%	3,447,143,611	32.94%	24.65%
Chengfang Huida	5,270,000,000	50.36%	37.69%	5,270,000,000	50.36%	37.69%
ICBC Investment	841,822,258	8.04%	6.02%	841,822,258	8.04%	6.02%
Cinda Investment	505,093,350	4.83%	3.61%	505,093,350	4.83%	3.61%
China Great Wall AMC	400,236,465	3.82%	2.86%	400,236,465	3.82%	2.86%
Sub-total for Offeror and its Concert Parties	7,947,152,073	75.95%	56.84%	10,464,295,684	100.00%	74.84%
Independent Domestic Shareholders	2,517,143,611	24.05%	18.00%	/	/	/
Sub-total for Domestic Shares	10,464,295,684	100.00%	74.84%	10,464,295,684	100.00%	74.84%
H Shares						
Offeror	/	/	/	3,517,320,000	100.00%	25.16%
Independent H Shareholders	3,517,320,000	100.00%	25.16%	/	/	/
Sub-total for H Shares	3,517,320,000	100.00%	25.16%	3,517,320,000	100.00%	25.16%
Total	13,981,615,684	100.00%	100.00%	13,981,615,684	100.00%	100.00%

LETTER FROM CICC

CICC is the financial adviser to the Offeror in respect of the Offers. Accordingly, CICC and members of the CICC group are presumed to be acting in concert with the Offeror in respect of shareholdings of the CICC group in the Bank in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and excluding the Shares held on behalf of non-discretionary investment clients). As at the Latest Practicable Date, except for Shares held on behalf of non-discretionary investment clients and Shares held by member(s) of the CICC group acting in the capacity of exempt principal trader(s) and/or exempt fund manager(s), members of the CICC group did not own or control any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Members of the CICC group which are exempt principal traders and exempt fund managers in each case recognised by the Executive as such for the purposes of the Takeovers Code and connected for the sole reason that they control, are controlled by or are under the same control as CICC, are not presumed to be acting in concert with the Offeror. However: (a) Shares held by members of the CICC group acting in the capacity of exempt principal traders will not be voted at the H Share Class Meeting unless the Executive allows such Shares to be so voted; and (b) Shares held by members of the CICC group acting in the capacity of exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the H Share Class Meeting if: (i) such member of the CICC group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such Shares held by such member of the CICC group); and (iv) such non-discretionary client is not a concert party of the Offeror.

Save as aforementioned in this section 9, as at the Latest Practicable Date:

- (a) there was no existing holding of voting rights and rights over Shares which is owned, controlled or directed by the Offeror or any of the Concert Parties;
- (b) there was no existing holding of voting rights and rights over Shares in respect of which the Offeror or any of the Concert Parties holds convertible securities, warrants or options;
- (c) there was no existing holding of voting rights and rights over Shares in respect of which the Offeror or any of the Concert parties has received an irrevocable commitment in relation to the voting of the resolutions in respect of the Offers and accepting the Offers;

LETTER FROM CICC

- (d) there is no outstanding derivative in respect of securities in the Bank entered into by the Offeror or any of the Concert Parties;
- (e) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (f) there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a Condition; and
- (g) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Bank which the Offeror or any of the Concert Parties has borrowed or lent.

As at the Latest Practicable Date, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii) (a) the Offeror and any Concert Parties or (b) the Bank, its subsidiaries or associated companies.

The Offeror has not, and no Concert Party has, acquired any Share during the Relevant Period.

10. ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Advisor” as set out in this Composite Document, the accompanying Forms of Acceptance and the additional information set out in the appendices to, and which forms part of, this Composite Document.

Yours faithfully,

For and on behalf of

China International Capital Corporation Hong Kong Securities Limited

David Ching

Executive Director

Feng Chen

Executive Director

LETTER FROM THE BOARD



Executive Directors:

Mr. Wei Xuekun
Mr. Guo Wenfeng
Mr. Kang Jun
Mr. Yang Weihua
Mr. Yu Jun

Non-executive Directors:

Mr. Zhang Guojian
Mr. Zhao Chuanxin
Ms. Gu Jihong
Mr. Lyu Fei
Mr. Luo Nan

Independent Non-executive Directors:

Mr. Wu Jun
Mr. Xie Taifeng
Mr. Xiao Geng
Mr. Wang Xiongyuan
Mr. Su Mingzheng

Registered Office:

No. 68 Keji Road
Jinzhou City
Liaoning Province
The PRC

***Principal Place of Business in
Hong Kong:***

40th Floor
Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

23 February 2024

To the Shareholders

Dear Sir or Madam,

- (1) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED ON BEHALF OF THE OFFEROR TO
ACQUIRE ALL OF THE ISSUED H SHARES IN THE BANK**
- (2) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY THE
OFFEROR TO ACQUIRE ALL OF THE ISSUED DOMESTIC SHARES
IN THE BANK (OTHER THAN THOSE ALREADY HELD BY
THE OFFEROR AND ITS CONCERT PARTIES)**
- (3) PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF THE BANK**

1. INTRODUCTION

Reference is made to the Announcement dated 26 January 2024 issued by the Offeror and the Bank announcing that (i) CICC, on behalf of the Offeror, will make a voluntary conditional general cash offer to acquire all of the issued H Shares at the H Share Offer Price of HK\$1.38

LETTER FROM THE BOARD

per H Share, and (ii) the Offeror will make a voluntary conditional general cash offer to acquire all of the issued Domestic Shares (other than those already held by the Offeror and the Concert Parties) at the Domestic Share Offer Price of RMB1.25 per Domestic Share.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) information relating to the Offeror, the Concert Parties and the Offers; (ii) a letter from CICC containing, among other things, details of the Offers; (iii) a letter from the Independent Board Committee containing its recommendations to the Shareholders in relation to the Offers; and (iv) the letter from the Independent Financial Adviser containing its advice and recommendations to the Independent Board Committee in relation to the Offers.

2. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established, comprising Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, Mr. Wang Xiongyuan and Mr. Su Mingzheng, being all the independent non-executive Directors, to make a recommendation to the Shareholders as to whether the Offers are fair and reasonable and as to acceptance, and whether the Delisting is fair and reasonable and as to voting.

Each of the non-executive Directors is a representative of the Concert Parties at the Bank and is therefore not suitable to be part of the Independent Board Committee.

Gram Capital, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and as to whether the Offers are fair and reasonable and as to acceptance, and whether the Delisting is fair and reasonable and as to voting.

3. THE OFFERS

As disclosed in the “Letter from CICC” in this Composite Document, CICC is making the H Share Offer on behalf of the Offeror for all of the issued H Shares and the Offeror is making the Domestic Share Offer for all of the issued Domestic Shares (other than those already held by the Offeror and the Concert Parties).

For each H Share, the H Share Offer Price is HK\$1.38 in cash.

For each Domestic Share, the Domestic Share Offer Price, RMB1.25 in cash.
which is equivalent to the H Share Offer Price at the
Exchange Rate is

It is stated in the “Letter from CICC” in this Composite Document that if any dividend, other distribution or return of capital (whether in cash or in kind) is announced, declared, made or paid in respect of the Shares after the date of the Announcement, the Offeror reserves the

LETTER FROM THE BOARD

right to reduce the Offer Price by all or any part of the amount or value of such dividend, other distribution or return of capital, in which case any reference in the Announcement, this Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. As at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid to the Shareholders generally. The Bank has confirmed that it does not intend to announce, declare, make or pay any dividend, other distribution or return of capital during the period commencing on the Despatch Date until the end of the Offer Period.

Further details of the Offer can be found in the “Letter from CICC” and “Appendix I – Further Terms of the Offers” to this Composite Document and the accompanying Forms of Acceptance, which together set out the terms and conditions of the Offers and certain related information.

4. CONDITIONS TO THE OFFERS

Your attention is drawn to the section headed “Conditions to the Offers” in the “Letter from CICC” in this Composite Document which sets out the Conditions to the Offers.

5. DELISTING

Upon the H Share Offer becoming unconditional and subject to the approval of the Delisting by the Shareholders at the Extraordinary General Meeting and the approval of the Delisting by the Independent H Shareholders at the H Share Class Meeting, the Bank will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules.

The Offeror has no rights under the laws of the PRC and the articles of association of the Bank to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in them holding securities that are not listed on the Stock Exchange or any other stock exchanges and the liquidity of such securities may be severely reduced. In addition, the Bank will no longer be subject to the requirements under the Listing Rules, and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

LETTER FROM THE BOARD

Independent H Shareholders should also note that if they do not agree to the Offers, they can vote against the Delisting at the H Share Class Meeting and/or the Extraordinary General Meeting. If the number of votes cast, by way of poll, against the Delisting at the H Share Class Meeting is more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, the Offers would not become unconditional and the Bank would remain listed on the Stock Exchange.

If the H Share Offer is completed, the H Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the Delisting will become effective.

The Offeror has applied to the Executive for, and the Executive has indicated that it is minded to grant, a waiver from the requirements under Rule 2.2(c) of the Takeovers Code, which requires a resolution to approve a delisting to be made subject to the relevant offeror(s) being entitled to exercise, and exercising, its rights of compulsory acquisition.

6. INTENTIONS OF THE OFFEROR WITH REGARD TO THE GROUP

Your attention is drawn to the section headed “Intentions of the Offeror with regard to the Group” in the “Letter from CICC” in this Composite Document which sets out the intentions of the Offeror regarding the Group. The Board has noted such intentions. The Board is of the view that the Offeror’s intentions in relation to the Group and its employees would not have a material impact on the existing businesses of the Group.

7. REASONS FOR AND BENEFITS OF THE OFFERS

Your attention is drawn to the section headed “Reasons and Benefits of the Offers” in the “Letter from CICC” in this Composite Document which sets out the reasons and benefits of the Offers to the Offeror, the Bank and the Shareholders.

8. INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information of the Offeror and Concert Parties” in the “Letter from CICC” and the general information of the Offeror set out in “Appendix III – General Information” to this Composite Document for information on the Offeror.

9. INFORMATION ON THE GROUP

The Bank is a joint stock company incorporated in the PRC with limited liability. It is a regional commercial bank. Its scope of business includes taking deposits from the public; granting short-term, medium-term and long-term loans; handling domestic and foreign settlements; issuing financial debentures and engaging in interbank lending etc.

LETTER FROM THE BOARD

Your attention is also drawn to further information of the Group set out in “Appendix II – Financial Information of the Group” and “Appendix III – General Information” to this Composite Document.

10. THE EXTRAORDINARY GENERAL MEETING AND THE H SHARE CLASS MEETING

The Extraordinary General Meeting will be convened to approve the Delisting at 10:30 a.m. on Friday, 15 March 2024 and the H Share Class Meeting will be convened to approve the Delisting at 11:00 a.m. on Friday, 15 March 2024 (or immediately after the conclusion or adjournment of the Extraordinary General Meeting), respectively. A notice of the Extraordinary General Meeting is set out in Appendix IV to this Composite Document. A notice of the H Share Class Meeting is set out in Appendix V to this Composite Document. Save as expressly required according to the memorandum and articles of association of the Bank, no Shareholder is required to abstain from voting at the Extraordinary General Meeting. As none of the Offeror, the Concert Parties and the controlling shareholder of the Bank hold any H Shares, no H Shareholder is required to abstain from voting at the H Share Class Meeting in accordance with Rule 2.2 of the Takeovers Code and no controlling shareholder or its associates is required to abstain from voting at the H Share Class Meeting in accordance with Rule 6.12(1) of the Listing Rules.

If you do not intend to attend the Extraordinary General Meeting and/or the H Share Class Meeting or any adjournment thereof in person, you are urged to complete the accompanying proxy form(s) in accordance with the instructions printed thereon and return the same to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holder of the H Shares), or the Bank’s registered office at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC (for holder of Domestic Shares) not later than 24 hours before the time appointed for holding the Extraordinary General Meeting or the H Share Class Meeting and/or its any adjournment(s). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or the H Share Class Meeting and/or its any adjournment, should you so wish. In the event that you attend and vote at the meeting or any adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.

Voting at the Extraordinary General Meeting and the H Share Class Meeting will be taken by way of poll as required under the Listing Rules and the Takeovers Code.

11. ADDITIONAL INFORMATION

You are advised to read the “Letter from CICC” and “Appendix I – Further Terms of the Offer” to this Composite Document and the accompanying Forms of Acceptance for information relating to the Offers and the acceptance and settlement procedures of the Offers. Your attention is also drawn to the additional information contained in the appendices to this Composite Document.

LETTER FROM THE BOARD

12. RECOMMENDATIONS

The Independent Financial Adviser has advised the Independent Board Committee that it considers the Offers and the Delisting to be fair and reasonable so far as the Independent Shareholders are concerned, and accordingly it recommends the Independent Board Committee to recommend the Shareholders to accept the Offers and vote in favour of the Delisting. The Independent Board Committee, having been so advised, considers the Offers and Delisting to be fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, recommends the Shareholders to accept the Offers and vote in favour of the Delisting.

Shareholders should note that the Offers are conditional upon the Conditions being satisfied. Accordingly, the Offers may or may not become unconditional.

The full text of the letter from the Independent Board Committee addressed to the Shareholders is set out on pages 29 to 30 of this Composite Document. The full text of the letter from the Independent Financial Adviser addressed to the Shareholders is set out on pages 31 to 61 of this Composite Document. You are advised to read both letters and the other information contained in this Composite Document carefully before taking any action in respect of the Offers.

Shareholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers.

Yours faithfully,
By order of the Board
Bank of Jinzhou Co., Ltd.**
WEI Xuekun
Chairman

* *For identification purpose only*

Bank of Jinzhou 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*



23 February 2024

To the Shareholders

Dear Sir/Madam,

- (1) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED ON BEHALF OF THE OFFEROR TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE BANK**
- (2) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY THE OFFEROR TO ACQUIRE ALL OF THE ISSUED DOMESTIC SHARES IN THE BANK (OTHER THAN THOSE ALREADY HELD BY THE OFFEROR AND ITS CONCERT PARTIES)**
- (3) PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF THE BANK**

1. INTRODUCTION

Reference is made to the Announcement dated 26 January 2024 issued by the Offeror and the Bank announcing that (i) CICC, on behalf of the Offeror, will make a voluntary conditional general cash offer to acquire all of the issued H Shares at the H Share Offer Price of HK\$1.38 per H Share and, (ii) the Offeror will make a voluntary conditional general cash offer to acquire all of the issued Domestic Shares (other than those already held by the Offeror and the Concert Parties) at the Domestic Share Offer Price of RMB1.25 per Domestic Share.

We have been appointed by the Board of the Bank to form the Independent Board Committee to make recommendations to you as to whether, in our opinion, the Offers are fair and reasonable so far as the Independent Shareholders are concerned and as to acceptance of the Offers, and whether the Delisting is fair and reasonable so far as the Independent Shareholders are concerned and as to voting.

We, being the members of the Independent Board Committee, have declared that we are independent and do not have any conflict of interest in respect of the Offers and the Delisting and are therefore able to consider the Offers and to make recommendations to the Shareholders.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Gram Capital has been appointed, with our approval, as the Independent Financial Adviser to advise and make recommendations to us as to the Offers and as to acceptance of the Offers, and as to the Delisting and as to voting. The details of its advice and recommendations and the principal factors taken into consideration in arriving at its recommendations are set out in the “Letter from the Independent Financial Adviser” set out in the Composite Document.

We also wish to draw your attention to the “Letter from CICC”, the “Letter from the Board”, and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Forms of Acceptance.

2. RECOMMENDATIONS

The Independent Financial Adviser has advised the Independent Board Committee that it considers the Offers and the Delisting to be fair and reasonable so far as the Independent Shareholders are concerned, and accordingly it recommends the Independent Board Committee to recommend the Shareholders to accept the Offers and vote in favour of the Delisting. The Independent Board Committee, having been so advised, considers the Offers and Delisting to be fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, recommends the Shareholders to accept the Offers and vote in favour of the Delisting.

Shareholders should note that the Offers are conditional upon the Conditions being satisfied. Accordingly, the Offers may or may not become unconditional.

Notwithstanding our recommendations, Shareholders are strongly advised that their decision to realise or to hold their investment in the Bank depends on their own individual circumstances and investment objectives. If in any doubt, Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,
**The Independent Board Committee of
Bank of Jinzhou Co., Ltd.*#**

Mr. WU Jun Mr. XIE Taifeng Mr. XIAO Geng Mr. WANG Xiongyuan Mr. SU Mingzheng

* *For identification purpose only*

Bank of Jinzhou 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*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Offers and the Delisting for the purpose of inclusion in this Composite Document.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

23 February 2024

*To: The independent board committee of Bank of Jinzhou Co., Ltd.***

Dear Sir/Madam,

- (1) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE BANK;**
- (2) VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY
THE OFFEROR TO ACQUIRE ALL OF
THE ISSUED DOMESTIC SHARES IN THE BANK
(OTHER THAN THOSE ALREADY HELD BY THE OFFEROR AND
ITS CONCERT PARTIES);**
- AND**
- (3) PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES
OF THE BANK**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and the Delisting, details of which are set out in the Composite Document dated 23 February 2024 jointly issued by the Offeror and the Bank to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

Reference is made to the Rule 3.5 Announcement dated 26 January 2024 jointly made by the Offeror and the Bank in relation to the Offers and the Delisting.

LETTER FROM GRAM CAPITAL

On 26 January 2024, the Offeror and the Bank jointly announced that (i) CICC, on behalf of the Offeror, will make a voluntary conditional general cash offer to acquire all of the issued H Shares at the H Share Offer Price of HK\$1.38 per H Share; and (ii) the Offeror will make a voluntary conditional general cash offer to acquire all of the issued Domestic Shares (other than those already held by the Offeror and the Concert Parties) at the Domestic Share Offer Price of RMB1.25 per Domestic Share. Upon the H Share Offer becoming unconditional and subject to the approval of the Delisting by the Shareholders at the Extraordinary General Meeting and the approval of the Delisting by the Independent H Shareholders at the H Share Class Meeting, the Bank will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules.

The Independent Board Committee comprising Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, Mr. Wang Xiongyuan and Mr. Su Mingzheng (being all the independent non-executive Directors) has been formed to advise the Independent Shareholders as to (i) whether the Offers are fair and reasonable so far as the Independent Shareholders are concerned and as to the acceptance of the Offers; and (ii) whether the Delisting is fair and reasonable so far as the Independent Shareholders are concerned and as to the voting of the Delisting. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers and the Delisting. The appointment of Gram Capital as the Independent Financial Adviser has been approved by the Independent Board Committee.

INDEPENDENCE

We were not aware of (i) any relationships or interests between (a) Gram Capital and the Bank; or (b) Gram Capital and the Offeror/the Concert Parties; or (ii) any services provided by Gram Capital to (a) the Bank; or (b) the Offeror/the Concert Parties, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations as provided to us by the Directors and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors and the Offeror (where applicable), for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror (where applicable) in the Composite Document were reasonably made after due enquiry and careful

LETTER FROM GRAM CAPITAL

consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Bank, its advisers and/or the Directors and the Offeror (where applicable), which have been provided to us. Our opinion is based on the Directors' and the Offeror's representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Offers and the Delisting. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules and Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the sections headed "1. RESPONSIBILITY STATEMENTS" of Appendix III to the Composite Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Bank, the Offeror, or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Offers and the Delisting.

We have assumed that the Offers and the Delisting will be consummated in accordance with the terms and conditions set forth in the Composite Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Offers and the Delisting, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offers and the Delisting. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Offers and the Delisting, we have taken into consideration the following principal factors and reasons:

(1) Background and terms of the Offers

The Offers will be made by CICC on behalf of the Offeror on the following basis:

For each H Share	HK\$1.38 in cash
For each Domestic Share, which is equivalent to the H Share Offer Price at the Exchange Rate	RMB1.25 in cash

As mentioned in the Composite Document, the Offeror will not increase the Offer Price, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the H Share Offer Price and the Domestic Share Offer Price.

Further details of the Offers are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance.

(2) Information of the Bank

2.1 Financial information of the Group

With reference to the “LETTER FROM THE BOARD” of the Composite Document (the “**Board Letter**”), the Bank is a joint stock company incorporated in the PRC with limited liability. It is a regional commercial bank. Its scope of business includes taking deposits from the public; granting short-term, medium-term and long-term loans; handling domestic and foreign settlements; issuing financial debentures and engaging in interbank lending etc.

As at the Latest Practicable Date, the issued share capital of the Bank is 13,981,615,684 Shares divided into 3,517,320,000 H Shares and 10,464,295,684 Domestic Shares.

At the request of the Bank, trading in the H Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 20 January 2023. According to the announcement of the Bank dated 14 April 2023, the Bank received a letter issued by the Stock Exchange on 12 April 2023, which sets out the guidance in relation to the Bank’s resumption of trading on the Stock Exchange (the “**Resumption Guidance**”). According to the Resumption Guidance, the Bank shall (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (ii) demonstrate the Bank’s compliance with Rule 13.24 of the Listing Rules; and (iii) inform the market of all material information for the Shareholders and investors to appraise the Bank’s position. The Stock Exchange requires that the Bank must meet all Resumption Guidance, remedy the issue(s) causing the Bank’s trading suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in the Bank’s securities is allowed to resume.

LETTER FROM GRAM CAPITAL

As at the Latest Practicable Date, the Bank’s annual report for the year ended 31 December 2021 (the “**2021 Annual Report**”) and the interim report for the six months ended 30 June 2022 (the “**2022 Interim Report**”) contained the latest audited/unaudited financial information of the Bank available to the public.

2.1.1 Financial Performance

FY2021 and FY2020

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 December 2020 and 2021, as extracted from the 2021 Annual Report:

	For the year ended 31 December 2021 RMB’000	For the year ended 31 December 2020 RMB’000	Change Approximate %
Interest income	39,297,278	37,344,545	5.23
Interest expense	(27,249,528)	(28,045,398)	(2.84)
Net interest income	12,047,750	9,299,147	29.56
Operating income	12,567,804	9,309,293	35.00
Operating expenses	(3,168,144)	(3,318,583)	(4.53)
Operating profit before impairment	9,399,660	5,990,710	56.90
Impairment losses on assets	(8,875,671)	(5,662,563)	56.74
Profit before tax	523,989	328,147	59.68
Net profit attributable to equity shareholders of the Bank	1,272,581	404,569	214.55

As illustrated in the above table, the Group’s net interest income was approximately RMB12,048 million for the year ended 31 December 2021 (“**FY2021**”), representing an increase of approximately RMB2,749 million or 29.56% as compared to that for the year ended 31 December 2020 (“**FY2020**”). With reference to the 2021 Annual Report, such increase was mainly due to the increase in the average balance of the Bank’s interest-earning assets. Net interest income for FY2021 and FY2020 accounted for approximately 95.86% and 99.89% of the Group’s operating income for the corresponding periods respectively. According to the 2021 Annual Report, approximately 70.48% and 50.74% of the Group’s operating income for FY2021 and FY2020 were generated from the Jinzhou region respectively.

LETTER FROM GRAM CAPITAL

The Group's interest income increased from approximately RMB37,345 million for FY2020 to approximately RMB39,297 million for FY2021, representing a year-on-year increase of approximately 5.23%. The Group's interest expense decreased from approximately RMB28,045 million for FY2020 to approximately RMB27,250 million for FY2021, representing a year-on-year decrease of approximately 2.84%.

The Group's operating profit before impairment was approximately RMB9,400 million for FY2021, representing an increase of approximately RMB3,409 million or 56.90% as compared to that for FY2020. The net profit attributable to equity shareholders of the Bank was approximately RMB1,273 million for FY2021, represented an increase of approximately RMB868 million or 214.55% as compared to that for FY2020. As advised by the Directors and with reference to the 2021 Annual Report, such increase in net profit attributable to equity shareholders of the Bank was primarily due to the increase in net interest income as stated above, but offset by the increase in impairment losses on assets (which was mainly because the Bank increased impairment provisions for loans and advances to customers and finance lease receivables to enhance its risk resistance ability as a results of macroeconomic uncertainties and the impact of the epidemic and the increase in credit risks of certain industries and enterprises).

The Bank did not distribute any dividend to the Shareholders for FY2021 and FY2020.

1H2022 and 1H2021

Set out below is a summary of the unaudited consolidated financial information of the Group for the six months ended 30 June 2022 (with comparative figures) as extracted from the 2022 Interim Report:

	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change
	<i>RMB'000</i>	<i>RMB'000</i>	<i>Approximate %</i>
Interest income	18,943,721	19,124,154	(0.94)
Interest expense	(13,609,930)	(13,443,550)	1.24
Net interest income	5,333,791	5,680,604	(6.11)
Operating income	5,560,341	6,190,168	(10.17)
Operating expenses	(1,462,962)	(1,435,592)	1.91
Operating profit before impairment	4,097,379	4,754,576	(13.82)
Impairment losses on assets	(3,841,794)	(4,373,611)	(12.16)
Profit before tax	255,585	380,965	(32.91)
Net profit attributable to equity shareholders of the Bank	266,440	429,890	(38.02)

LETTER FROM GRAM CAPITAL

As illustrated in the above table, the Group's net interest income was approximately RMB5,334 million for the six months ended 30 June 2022 ("1H2022"), representing a decrease of approximately RMB347 million or 6.11% as compared to that for the six months ended 30 June 2021 ("1H2021"). With reference to the 2022 Interim Report, such decrease was mainly due to the decrease in the average yield of interest-earning assets. Net interest income for 1H2022 and 1H2021 accounted for approximately 95.93% and 91.77% of the Group's operating income for the corresponding periods respectively. According to the 2022 Interim Report, approximately 64.82% and 66.10% of the Group's operating income for 1H2022 and 1H2021 were generated from the Jinzhou region respectively.

The Group's interest income and interest expense were approximately RMB18,944 million and approximately RMB13,610 million respectively for 1H2022, approximating to those for 1H2021.

The Group's operating profit before impairment was approximately RMB4,097 million for 1H2022, representing a decrease of approximately RMB657 million or 13.82% as compared to that for 1H2021. The net profit attributable to equity shareholders of the Bank was approximately RMB266 million for 1H2022, represented a decrease of approximately RMB163 million or 38.02% as compared to that for 1H2021. As advised by the Directors, such decrease in net profit attributable to equity shareholders of the Bank was primarily due to (i) the decrease in net interest income for 1H2022 as compared to that for 1H2021; and (ii) net trading losses for 1H2022 as compared to net trading gains for 1H2021.

The Bank did not distribute any dividend to the Shareholders for 1H2022.

2.1.2 Capital adequacy indicators

The table below sets out the capital adequacy indicators requirements of the 《商業銀行資本管理辦法(試行)》(Measures for Administration on Capital of Commercial Banks (Provisional))*，the “**Administrative Measures for Capital**” promulgated by the China Banking Regulatory Commission and the respective capital adequacy indicators of the Bank as at 30 June 2022, 31 December 2021 and 31 December 2020 as extracted from the 2022 Interim Report and the 2021 Annual Report:

Requirements	As at 30 June 2022 <i>Approximate</i> %	As at 31 December 2021 <i>Approximate</i> %	As at 31 December 2020 <i>Approximate</i> %
Core tier-one capital adequacy ratio	7.5	8.36	8.29
Tier-one capital adequacy ratio	8.5	9.84	9.73
Capital adequacy ratio	10.5	11.61	11.50
		11.50	11.76

LETTER FROM GRAM CAPITAL

With reference to the 2021 Annual Report, as at the end of FY2021, the increases in the Bank's core tier-one capital adequacy ratio and tier-one capital adequacy ratio were mainly due to the decrease in the risk-weighted assets; whereas the decrease in the capital adequacy ratio was mainly due to (i) the redemption of tier 2 capital bonds at maturity totaling RMB2,500 million; and (ii) an increase in other net deferred tax assets dependent on the Bank's future earnings because the Bank made an additional provision for asset impairment, resulting in a decrease in net capital.

With reference to the 2022 Interim Report, the increase in capital adequacy ratios as at 30 June 2022 as compared to those as at 31 December 2021 was mainly because the asset scale decreased at the end of 1H2022 and the Bank optimized the asset structure to reduce its total risk weighted assets.

2.1.3 Loan quality analysis

With reference to the 2021 Annual Report, the non-performing loan ratios of the Bank were approximately 2.75% as at 31 December 2021 and approximately 2.07% as at 31 December 2020, respectively. The Bank's non-performing loan ratio as at 31 December 2021 was approximately 0.68 percentage point higher than that as at 31 December 2020, primarily because some industries and enterprises were experiencing difficulties in production and operation amidst the uncertainty of economy and due to the impact of the epidemic, resulting in decreased solvency and the increase in the balance of non-performing loans.

With reference to the 2022 Interim Report, the non-performing loan ratios of the Bank were approximately 2.87% as at 30 June 2022 and approximately 2.75% as at 31 December 2021, respectively. The Bank's non-performing loan ratio as at 30 June 2022 was approximately 0.12 percentage point higher as compared to that as at 31 December 2021. For 1H2022, the Bank continuously enhanced its risk management and orderly disposed non-performing loans to improve the accuracy of risk disposal. In addition, the Bank reasonably handled disposal progress, made quick response, and safeguarded credit asset security of the Bank by adopting measures including but not limited to degrading of credit level, reduction of credit facility, collection of loans and improvement of credit-enhancement. However, as affected by economic uncertainties of local areas and the changing development of the epidemic, the production and operation of some industries and enterprises had not yet fully recovered, and their ability to repay the principal and interests declined, resulting in a slight increase in the amount of non-performing loans.

LETTER FROM GRAM CAPITAL

2.1.4 Latest financial and business conditions of the Group

As stated in the Composite Document, some of the Group's customers have entered into bankruptcy reorganisation proceedings and some of the other customers' assets held by the Group have become delinquent, and although the extent of the impact of such proceedings and delinquent assets on the Group's financial and business conditions cannot be determined at this time, it is expected to have a material adverse impact on the financial and business conditions of the Group. We concur with the above Bank's expectation after discussion with the Bank.

As stated in the Composite Document, as there remain uncertainties in the relevant transactions at the Latest Practicable Date, the Bank intends to continue to postpone the publication of its audited financial results for the financial year ended 31 December 2022 and the interim financial results for the six months ended 30 June 2023, and as at the Latest Practicable Date, the Bank and its auditors still could not ascertain the timetable for publishing the aforementioned financial results. If by 19 July 2024, the Bank is still not able to remedy the substantive issue(s) causing the Bank's trading suspension, fulfill the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction, then pursuant to Rule 6.01A(1) of the Listing Rules, the Bank may be delisted by the Stock Exchange, resulting in the Bank's H Shares held by the H Shareholders becoming securities that are not listed on the Stock Exchange or any other stock exchange and may severely impact the liquidity of such securities.

In addition, the Bank did not distribute any dividend for the year ended 31 December 2022 and the six months ended 30 June 2023. As stated in the Composite Document, as at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid to the Shareholders generally. The Bank has confirmed that it does not intend to announce, declare, make or pay any dividend, other distribution or return of capital during the Offer Period.

2.2 Industry overview

According to the National Bureau of Statistics, the gross domestic products ("GDP") of the PRC during the last five full years (2019 to 2023) grew continuously and reached approximately RMB126,058 billion in 2023, representing a compound annual growth rate ("CAGR") of approximately 6.3% for the corresponding period.

From 2019 to 2023, in line with the continuous development of national economy, the PRC's disposable income per capita grew from approximately RMB30,733 in 2019 to approximately RMB39,218 in 2023, representing a CAGR of approximately 6.3%.

LETTER FROM GRAM CAPITAL

Set out below are GDP and disposable income per capita of the PRC from 2019 to 2023 according to the National Bureau of Statistics:

	2023	2022	2021	2020	2019
GDP (RMB' billion)	126,058	120,472	114,924	101,357	98,652
<i>Year-on-year growth rate</i>					
<i>(Note 1)</i>	4.6%	4.8%	13.4%	2.7%	7.3%
<i>Year-on-year growth rate</i>					
<i>without taking into account</i>					
<i>price impact</i>	5.2%	3.0%	8.4% ^(Note 2)	2.2%	6.0%
Disposable income per					
capita (RMB)	39,218	36,883	35,128	32,189	30,733
<i>Year-on-year growth rate</i>	6.3%	5.0%	9.1%	4.7%	8.9%

Notes:

1. Year-on-year growth rate in this letter is calculated by figure in current year over figure in previous year minus one.
2. Year-on-year growth rate without taking into account price impact (which could be led by inflation/deflation) was based on GDP at constant prices. As GDP at constant price is converted from GDP based on the current price into a value based on the price of certain base period (i.e., 1952, 1957, 1970, 1980, 1990, 2000, 2005, 2010, 2015 and 2020), there are two figures for the base switching years (i.e. one based on former base year prices and one based on new base year prices). The year-on-year growth rate of GDP at constant price for 2021 was calculated based on GDP at constant price for 2021 and 2020 (based on current base year, i.e. 2020).

We also researched for relevant statistics and governmental policies of the PRC banking industry as summarised below.

Set out below are the total assets of the PRC's commercial banking industry and PRC's city commercial banking industry from 2019 to 2023 (as at the end of period), published by the National Financial Regulatory Administration of the PRC:

	As at the end of				
	2023	2022	2021	2020	2019
Total assets of the PRC's commercial banking industry (RMB' billion)	347,493	312,752	281,766	258,998	232,337
CAGR			10.6%		
Total assets of the PRC's city commercial banking industry (RMB' billion)	55,200	49,883	45,069	41,068	37,275
CAGR			10.3%		

LETTER FROM GRAM CAPITAL

As shown in the table above, the total assets of the PRC's commercial banking industry increased from approximately RMB232,337 billion as at the end of 2019 to approximately RMB347,493 billion as at the end of 2023, representing a CAGR of approximately 10.6%. Among the PRC's commercial banking industry, the PRC's city commercial banking industry recorded total assets of approximately RMB55,200 billion as at the end of 2023, representing a CAGR of approximately 10.3% as compared to that as at the end of 2019. Based on the CAGR, the growth of PRC's city commercial banking industry in terms of total assets (as at the end of period) was in line with that of PRC's commercial banking industry for the period from 2019 to 2023.

Set out below are the net profit of the PRC's commercial banking industry and PRC's city commercial banking industry on a full year basis from 2018 to 2022 (Note: relevant figure for 2023 was not available as at the Latest Practicable Date), published by the National Financial Regulatory Administration of the PRC:

	2022	2021	2020	2019	2018
Net profit of the PRC's commercial banking industry (RMB' billion)	2,303	2,184	1,939	1,993	1,830
CAGR			5.9%		
Net profit of the PRC's city commercial banking industry (RMB' billion)	255	239	215	251	246
CAGR			0.9%		

As shown in the table above, the net profit of the PRC's commercial banking industry increased from approximately RMB1,830 billion in 2018 to approximately RMB1,993 billion in 2019. Subsequently, the net profit of the PRC's commercial banking industry decreased to approximately RMB1,939 billion in 2020 and recovered to approximately RMB2,184 billion and approximately RMB2,303 billion in 2021 and 2022 respectively. The net profit of the PRC's commercial banking industry fluctuated from 2018 to 2022, with a CAGR of approximately 5.9%. Among the PRC's commercial banking industry, the PRC's city commercial banking industry recorded net profit of approximately RMB255 billion for 2022, representing a CAGR of approximately 0.9% as compared to that for 2018. Based on the CAGR, the growth of PRC's city commercial banking industry in terms of net profit was significantly lower than that of PRC's commercial banking industry for the period from 2018 to 2022.

LETTER FROM GRAM CAPITAL

Banking related matters

In recent years, the PRC government issued various policies or made several decisions affecting the PRC banking industry. Relevant and material government-issued policies and decisions regarding the PRC banking industry are set out below:

In November 2021, the China Banking and Insurance Regulatory Commission of the PRC (being replaced by National Financial Regulatory Administration of the PRC in 2023) promulgated 《關於銀行業保險業支持高水平科技自立自強的指導意見》 (the Guidance on Supporting High-level Technological Self-reliance for the Banking and Insurance Industry*), pursuant to which the PRC government indicated that commercial banks should prioritize high-level technology companies as key service recipients and strive for continuous growth in the balance of loans to technology enterprises.

In July 2022, the China Banking and Insurance Regulatory Commission of the PRC (being replaced by National Financial Regulatory Administration of the PRC in 2023) issued 《關於進一步推動金融服務製造業高質量發展的通知》 (the Notice on Further Promoting High-quality Development of Financial Services for the Manufacturing Industry*), which outlined that banking institutions should enhance their financial support, and strategically align with, key sectors such as advanced manufacturing, strategic emerging industries, and the transformation and upgrading of traditional industries.

In December 2022, the China Banking and Insurance Regulatory Commission of the PRC (being replaced by National Financial Regulatory Administration of the PRC in 2023) issued 《銀行保險機構消費者權益保護管理辦法》 (the Measures for the Protection of Consumer Rights and Interests in Banking and Insurance Institutions*), which indicated that banking and insurance institutions should integrate consumer rights protection into corporate governance, corporate culture development, and business development strategies to ensure that consumer rights protection are integrated throughout all stages of the operation.

In November 2023, the National Financial Regulatory Administration of the PRC published 《商業銀行資本管理辦法》 (the Commercial Bank Capital Management Measures*), which outlined that commercial banks should develop differentiated capital regulatory systems to align capital regulations with the size and complexity of their operations, thereby reducing compliance costs for small and medium-sized banks.

LETTER FROM GRAM CAPITAL

In November 2023, the People's Bank of China, the National Financial Regulatory Administration of the PRC, the China Securities Regulatory Commission, the State Administration of Foreign Exchange of the PRC, the National Development and Reform Commission of the PRC, the Ministry of Industry and Information Technology of the PRC, the Ministry of Finance of the PRC and the All-China Federation of Industry and Commerce collectively issued 《關於強化金融支持舉措助力民營經濟發展壯大的通知》 (the Notice on Strengthening Financial Support Measures to Promote the Growth and Development of the Private Economy*), which stipulated that banking institutions should set annual service objectives for private enterprises, intensify their financial support to private enterprises, and gradually increase the share of loans provided to private enterprises.

(3) Information on the Offeror

Set out below is the key information on the Offeror as extracted from the “Letter from CICC” of the Composite Document (the “**Letter from CICC**”):

The Offeror is a limited liability company incorporated in the PRC on 18 December 2019. Its scope of business includes: investment and capital management; capital investment services; non-public offering of securities investment funds; holding company services; financial information services. (Enterprise may choose their scope of business and carry out business activities freely in accordance with the law; For items requiring approval in accordance with the law, the business activities can only be commenced after approval by the relevant authorities.) The sole shareholder of the Offeror is the Department of Finance of Liaoning Province, which holds 100% of the shares in the Offeror as at the Latest Practicable Date.

Between 2019 and 2020, the Offeror and Chengfang Huida, ICBC Investment, Cinda Investment and China Great Wall AMC, four state-owned enterprises, invested in the Bank through acquisition of existing Shares and subscription of new Shares in order to support the Bank's reorganization and reform and to service the reform of the PRC's financial supply sector.

Taking into account the aforementioned reorganization and reform, the Offeror and the Concert Parties executed the Concert Party Agreement to implement the Offers. Pursuant to the Concert Party Agreement, the Offeror, Chengfang Huida, ICBC Investment, Cinda Investment and China Great Wall AMC have agreed to act in concert in relation to the Bank in connection with the Offers, and that the Offeror shall be solely responsible for the conduct of the Offers.

Please refer to the section headed “Information on the Offeror and Concert Parties” of Letter from CICC for details of the Concert Parties.

LETTER FROM GRAM CAPITAL

(4) Intentions of the Offeror with regard to the Group

Set out below is the intention in respect of the Bank as extracted from the Letter from CICC:

After the implementation of the Offers, the Offeror has no intention of listing the Shares in other markets. Considering that the Bank is a regional commercial bank, after delisting, it will continue to establish itself locally with specialized operations and focus on its primary responsibilities and business. The Offeror may still, as needed based on actual circumstances, propose occasional strategic adjustments to the business, structure, and/or direction of the Group. Save as disclosed above, the Offeror will strive to maintain the Bank's existing business as much as possible.

The Offeror does not intend to make any significant changes to the continued employment of the employees of the Group. Following completion of the Offers, the employment contracts of all employees of the Group will continue.

No right of compulsory acquisition

The Offeror has no rights under the laws of the PRC and the articles of association of the Bank to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in them holding securities that are not listed on the Stock Exchange or any other stock exchanges and the liquidity of such securities may be severely reduced. In addition, the Bank will no longer be subject to the requirements under the Listing Rules, and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

Independent H Shareholders should also note that if they do not agree to the Offers, they can vote against the Delisting at the H Share Class Meeting and/or the Extraordinary General Meeting. If the number of votes cast, by way of poll, against the Delisting at the H Share Class Meeting is more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, the Offers would not become unconditional and the Bank would remain listed on the Stock Exchange.

LETTER FROM GRAM CAPITAL

(5) Reasons for and benefits of the Offers and the Delisting

5.1 For the Offeror and the Bank

As stated in the Letter from CICC, given that the H Shares have been trading in a relatively low price range for most of the time before the suspension of trading in the H Shares, the trading volume in the H Shares has also been low. The average daily trading volume of the H Shares in the last 90 trading days, 180 trading days and 360 trading days up to and including the Last Trading Date represents only around 0.00015%, 0.00010% and 0.00007% of the total issued H Shares. Accordingly, the ability of the Bank to raise funds effectively from the equity market is extremely limited and the current listing status no longer provides a viable financing channel to the Bank's operations. Upon implementation of the Offers, the H Shares will be delisted from the Stock Exchange, which is conducive to saving costs associated with compliance and maintaining of the listing status and provide room for operational adjustment. The Bank will also be able to redeploy the relevant resources used for maintaining the listing status to the Bank's operations.

5.2 For the Shareholders

As stated in the Letter from CICC, suspension of trading in the Bank's H Shares was announced on 20 January 2023 and the Bank announced information regarding the significant financial reorganization on 2 February 2023. As there remain uncertainties in the relevant transactions as at the Latest Practicable Date, the Bank intends to continue to postpone the publication of its audited financial results for the financial year ended 31 December 2022 and the interim financial results for the six months ended 30 June 2023, and as at the Latest Practicable Date, the Bank and its auditors still could not ascertain the timetable for publishing the aforementioned financial results. If by 19 July 2024, the Bank is still not able to remedy the substantive issue(s) causing the Bank's trading suspension, fulfill the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction, then pursuant to Rule 6.01A(1) of the Listing Rules, the Bank may be delisted by the Stock Exchange, resulting in the Bank's H Shares held by the H Shareholders becoming securities that are not listed on the Stock Exchange or any other stock exchange and may severely impact the liquidity of such securities. The H Share Offer Price represents a premium over the average closing price of the H Shares of the Bank as quoted on the Stock Exchange for the 30, 60, 120 and 180 trading days immediately prior to and including the Last Trading Date and equals to the closing price on the Last Trading Date. The Offeror believes that the Offers, if implemented, will provide an excellent opportunity for all Shareholders (excluding the Offeror and its Concert Parties) to realise their investment which is at risk of being delisted and illiquid for a cash consideration which represents attractive premium (i.e. 15.35%, 43.01% and 36.46% respectively) over the average closing price of the H Shares as quoted on the Stock Exchange for the 60, 120 and 180 trading days immediately prior to and including the Last Trading Date.

LETTER FROM GRAM CAPITAL

5.3 Our analyses

Liquidity of the H Shares

We performed a trading liquidity analysis of the H Shares for the period from 3 January 2022 (being approximately one year before the suspension of trading in the H Shares, which is a commonly adopted period for analysis) to and including the Latest Practicable Date (the “**Share Review Period**”). The number of trading days per month, the average daily number of the H Shares traded per month, and the respective percentages of the average daily H Shares’ trading volume for each calendar month as compared to (i) the total number of issued H Shares as at the Latest Practicable Date; and (ii) the total number of issued Shares held by the Independent H Shareholders as at the Latest Practicable Date during the Share Review Period are tabulated below:

Month	Number of trading days	Average daily trading volume (the “Average Volume”) (Number of Shares)	The Average	The Average
			Volume to total number of issued H Shares as at the Latest Practicable Date (Note 1) Approximate %	Volume to total number of issued H Shares held by the Independent H Shareholders as at the Latest Practicable Date (Note 1) Approximate %
2022				
January	21	476	0.00001	0.00001
February	17	1,118	0.00003	0.00003
March	23	3,000	0.00009	0.00009
April	18	3,056	0.00009	0.00009
May	20	100	0.00000 ^(Note 2)	0.00000 ^(Note 2)
June	21	2,286	0.00006	0.00006
July	20	850	0.00002	0.00002
August	23	5,043	0.00014	0.00014
September	21	5,429	0.00015	0.00015
October	20	400	0.00001	0.00001
November	22	11,909	0.00034	0.00034
December	20	2,850	0.00008	0.00008
2023				
January ^(Note 3)	13	2,769	0.00008	0.00008

Source: the Stock Exchange’s website

LETTER FROM GRAM CAPITAL

Notes:

1. Based on 3,517,320,000 H Shares in issue as at the Latest Practicable Date. All H Shares were held by the Independent H Shareholders as at the Latest Practicable Date.
2. Less than 0.00001%.
3. Trading in the H Shares of the Bank on the Stock Exchange has been suspended with effect from 9:00 a.m. on 20 January 2023. Accordingly, the number of trading days for January 2023 was 13.

As illustrated from the table above, the H Shares' trading volume was extremely thin during the Share Review Period, with the respective Average Volumes ranging from approximately 100 Shares to approximately 11,909 Shares, representing less than 0.00001% to approximately 0.00034% of the total number of issued Shares and issued Shares held by the Independent H Shareholders at the end of each respective month/period and up to the Last Trading Date.

Trading status of the H Shares

As mentioned above, trading in the H Shares of the Bank on the Stock Exchange has been suspended with effect from 9:00 a.m. on 20 January 2023.

With reference to the Letter from CICC, if by 19 July 2024, the Bank is still not able to remedy the substantive issue(s) causing the Bank's trading suspension, fulfill the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction, then pursuant to Rule 6.01A(1) of the Listing Rules, the Bank may be delisted by the Stock Exchange, resulting in the Bank's H Shares held by the H Shareholders becoming securities that are not listed on the Stock Exchange or any other stock exchange and may severely impact the liquidity of such securities.

The Independent H Shareholders should also note that, if the Offers have not become or been declared unconditional, and have been lapsed, there are restrictions under Rule 31.1 of the Takeovers Code pursuant to which the Offeror and the Concert Parties are restricted from making subsequent offers within 12 months from the date on which the Offers lapse, except with the consent of the Executive.

Accordingly, we consider the H Share Offers may also represent the last exit opportunity offered by the Offeror for the Independent H Shareholders before the deadline of 19 July 2024 as imposed by the Stock Exchange for the Bank to fulfil the Resumption Guidance. After the aforesaid deadline (i.e. 19 July 2024), the Stock Exchange may exercise its discretion to cancel the listing of the H Shares and subsequently the H Shares will become unlisted securities with no open market for trading.

LETTER FROM GRAM CAPITAL

(6) The Offer Price

To assess the fairness and reasonableness of the Offer Price, we performed the following analyses:

6.1 H Share Offer Price comparison

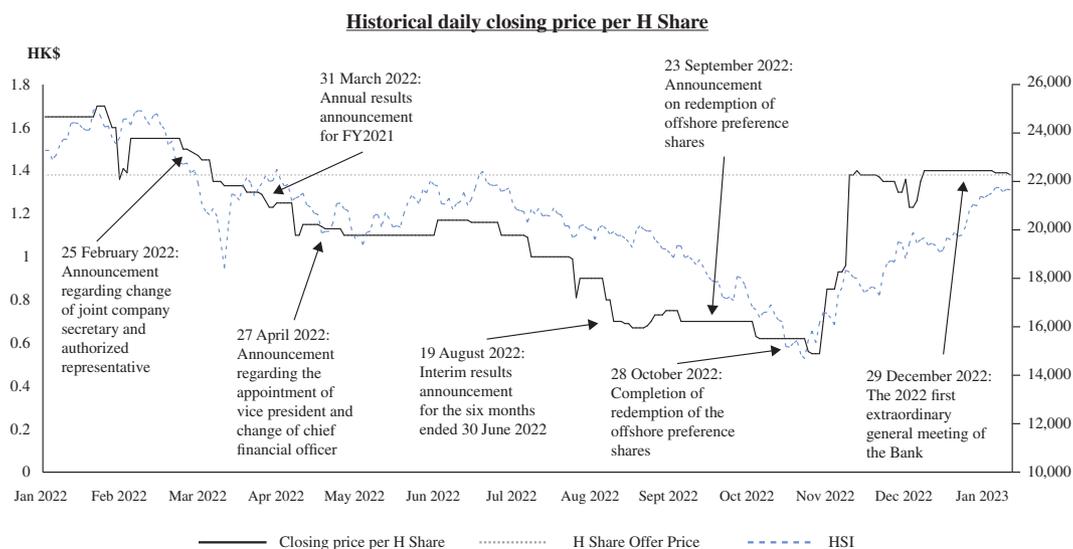
The H Share Offer Price of HK\$1.38 under the H Share Offer:

- (a) equals to the closing price of HK\$1.38 per H Share as quoted on the Stock Exchange on the Last Trading Date (the “**LTD Performance**”);
- (b) represents a premium of approximately 0.31% over the average closing price of approximately HK\$1.38 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date (the “**30-days Premium**”);
- (c) represents a premium of approximately 15.35% over the average closing price of approximately HK\$1.20 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date (the “**60-days Premium**”);
- (d) represents a premium of approximately 34.82% over the average closing price of approximately HK\$1.02 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Date (the “**90-days Premium**”);
- (e) represents a premium of approximately 43.01% over the average closing price of approximately HK\$0.97 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date (the “**120-days Premium**”);
- (f) represents a premium of approximately 36.46% over the average closing price of approximately HK\$1.01 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Date (the “**180-days Premium**”); and
- (g) represents a discount of approximately 71.94% (the “**NAV Discount**”) to the net asset value (the “**NAV**”) per Share attributable to the ordinary shareholders of the Bank as at 30 June 2022 (i.e. RMB4.21 per Share, based on the mid-rate of the exchange rate between HK\$ and RMB as at 30 June 2022) (based on a total of 13,981,615,684 Shares in issue, the Group’s unaudited total shareholders’ equity attributable to the Bank of approximately HK\$80,334,389,000 and other equity instruments of approximately HK\$11,573,291,000 as at 30 June 2022 (as extracted from 2022 Interim Report, based on the mid-rate of the exchange rate between HK\$ and RMB as at 30 June 2022)).

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6.2 Historical price performance of the H Shares

Set out below is a chart showing the movement of the closing price of the H Shares during the Share Review Period to illustrate the general trend and movement of the closing price of the H Shares, together with the movement of Hang Seng Index (“HSI”).



Source: Wind Financial Terminal and the Stock Exchange's website

Note: Trading in H Shares has been suspended with effect from 9:00 a.m. on 20 January 2023.

During the Share Review Period, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange were HK\$1.70 per H Share recorded on 21 January 2022, 24 January 2022 and 25 January 2022 and HK\$0.55 per H Share recorded on 2 November 2022, 3 November 2022 and 4 November 2022. The H Share Offer Price of HK\$1.38 is within the aforesaid closing prices range and represents (i) a discount of approximately 18.82% to the highest closing price of the H Shares; and (ii) a premium of approximately 150.91% over the lowest closing price of the H Shares, during the Share Review Period. In addition, the H Share Offer Price was above the daily closing prices of the H Shares for 183 trading days out of the total 259 trading days during the Share Review Period.

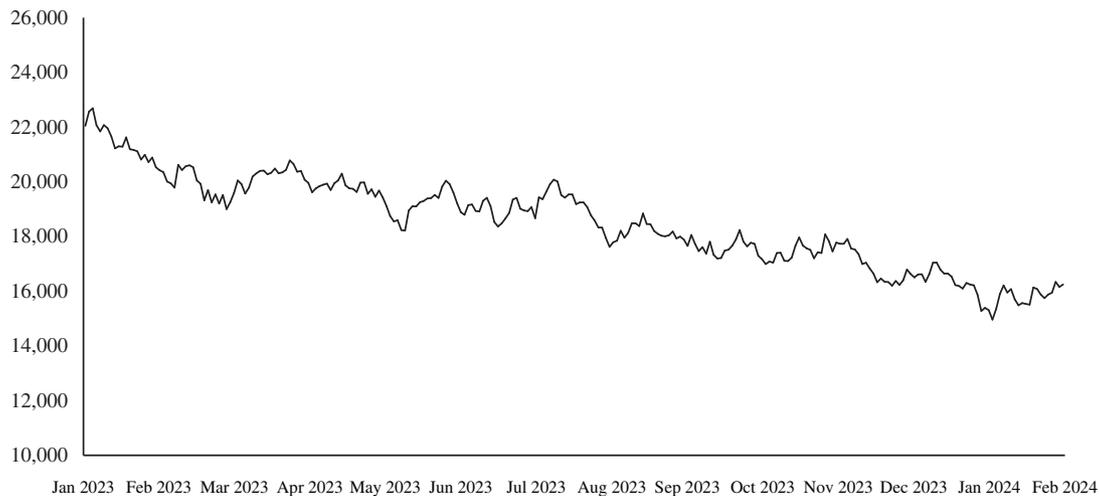
The closing prices of the H Shares followed a general decreasing trend since the start of the Share Review Period until reaching the lowest closing price of HK\$0.550 per H Share on 4 November 2022. Subsequently, the closing price of the H Shares increased sharply to HK\$1.40 on 18 November 2022. Thereafter, the closing price of the H Shares fluctuated between HK\$1.23 and HK\$1.40 before it recorded as HK\$1.38 on 19 January 2023 (i.e. the Last Trading Date).

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The closing price of the H Shares moved generally in line with the movement of HSI during the Share Review Period.

Given that no further analysis on the recent performance of the Shares can be made for the period since its trading suspension on 20 January 2023, we alternatively evaluate the H Share Offer Price with reference to the trend of the Hong Kong stock market performance in terms of the performance of the closing HSI since 20 January 2023 and up to the Latest Practicable Date (the “**2023/2024 Review Period**”).

Historical daily closing of Hang Seng Index



Source: Wind Financial Terminal

On 19 January 2023, the closing price was HK\$1.38 per H Share and the closing HSI was 21,650.98. During the 2023/2024 Review Period, the closing HSI was generally in a downward trend which declined by approximately 25.0% from 21,650.98 on 19 January 2023 to 16,247.51 on the Latest Practicable Date.

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In addition, we also summarised the movement of closing prices of the Comparable Banks (as defined below) as at the date of Announcement as compared to those as at 19 January 2023 (i.e. the Last Trading Date) and during the 2023/2024 Review Period as follows:

Bank name (stock code)	Premium/(discount) of the closing price of H shares as at the date of Announcement over/to the closing price as at 19 January 2023	Percentage of number of trading days on which the closing price moved downward or remained unchanged as compared to the previous trading day to total number of trading days during the 2023/2024 Review Period (Note)
Shengjing Bank Co., Ltd. (2066)	(85.8)	93.2%
Bank of Guizhou Co., Ltd. (6199)	(22.2)	83.8%
Huishang Bank Corporation Limited (3698)	(4.0)	83.8%
Bank of Jiujiang Co., Ltd. (6190)	(30.3)	92.5%
Bank of Qingdao Co., Ltd. (3866 & SZ002948)	(35.6)	65.7%
Zhongyuan Bank Co., Ltd. (1216)	(50.0)	80.0%
Weihai City Commercial Bank Co., Ltd. (9677)	(11.0)	91.3%
Bank of Zhengzhou Co., Ltd. (6196 & SZ002936)	(28.4)	72.8%
Jiangxi Bank Co., Ltd. (1916)	(36.5)	76.2%
Bank of Tianjin Co., Ltd. (1578)	(7.9)	76.6%
Harbin Bank Co., Ltd. (6138)	(23.2)	69.4%
Bank of Chongqing Co., Ltd. (1963 & SH601963)	(2.4)	55.8%
Bank of Gansu Co., Ltd. (2139)	(63.9)	87.5%
Jinshang Bank Co., Ltd. (2558)	5.8	83.8%
Luzhou Bank Co., Ltd. (1983)	(24.3)	95.5%

Source: Wind Financial Terminal and the Stock Exchange's website

Note: there were 265 trading days during the 2023/2024 Review Period.

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During the 2023/2024 Review Period,

- (1) save as the closing price of H share of Jinshang Bank Co., Ltd. (2558), all other Comparable Banks' H share closing price as at the Announcement Date represented a discount to those as at 19 January 2023 (i.e. the Last Trading Date); and
- (2) all Comparable Banks' H share closing prices moved downward or remained unchanged for most of the trading days.

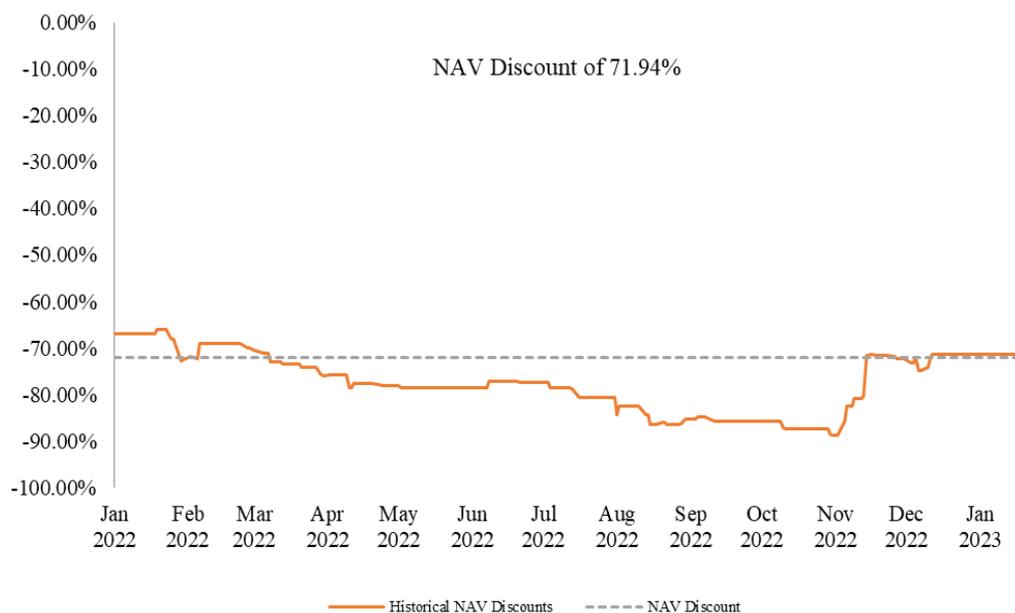
Despite the downward movement of the Hong Kong stock market and the closing prices of the Comparable Banks during the 2023/2024 Review Period, the H Share Offer Price remains the same as the closing price of the H Share as at the Last Trading Date.

6.3 Historical discount of market price of the Shares to the NAV per Share

As mentioned above, the H Share Offer Price represents a discount of approximately 71.94% to the NAV per Share attributable to the ordinary shareholders of the Bank as at 30 June 2022 (i.e. NAV Discount).

In light of the NAV Discount, we reviewed discounts of H Share closing price to NAV per Share attributable to the ordinary shareholders of the Bank during the Share Review Period (the “**Historical NAV Discount(s)**”) as set out in the chart below:

Movements of the Historical NAV Discounts



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Notes:

As the Bank's interim results announcement for 1H2021 was published after trading hours on 20 August 2021, the Bank's annual results announcement for FY2021 was published after trading hours on 31 March 2022, the Bank's interim results announcement for 1H2022 was published after trading hours on 19 August 2022 and the Bank's announcement regarding the completion of redemption of the offshore preference shares was published after trading hours on 28 October 2022:

1. The Historical NAV Discounts from 3 January 2022 to 31 March 2022 were calculated based on the daily H Share closing prices and the NAV per Share attributable to the ordinary shareholders of the Bank as at 30 June 2020.
2. The Historical NAV Discounts from 1 April 2022 to 19 August 2022 were calculated based on the daily H Share closing prices and the NAV per Share attributable to the ordinary shareholders of the Bank as at 31 December 2021.
3. The Historical NAV Discounts from 22 August 2022 to 28 October 2022 were calculated based on the daily H Share closing prices and the NAV per Share attributable to the ordinary shareholders of the Bank as at 30 June 2022.
4. The Historical NAV Discounts from 31 October 2022 to the Last Trading Date were calculated based on the daily H Share closing prices and the NAV per Share attributable to the ordinary shareholders of the Bank as at 30 June 2022 minus the offshore preference share dividends.

As illustrated in the above chart, the Historical NAV Discounts ranged from approximately 66.02% to approximately 88.70% during the period from 4 January 2021 to 19 January 2022 (the “NAV Discount Range”).

The NAV Discount is within the NAV Discount Range during the Share Review Period.

We also reviewed the daily closing price of the Comparable Banks (as defined below) and latest available consolidated NAV attributable to owners of the Comparable Banks for each trading day during the Share Review Period, we noted that H shares of all Comparable Banks were traded below their respective latest available consolidated NAV attributable to owners of such Comparable Banks during the Share Review Period.

6.4 Comparison with other Comparable Banks

We performed the trading multiple analysis which adopts the price-to-book ratio (“PBR”) as below. We adopted PBR for our analysis as it is a commonly used benchmark in valuation of banks which are asset-based companies earning a spread between the interest income they generate on their assets and their cost of funds. Having also considered the aforesaid business model of banks, we are of the view that price-to-earnings ratio is less relevant for valuation of banks as compared to PBR.

As the Bank is classified as city commercial bank pursuant to the website of National Association of Financial Market Institutional Investors, we searched for city commercial banks in the PRC listed on Stock Exchange for comparison. We found 15 listed banks which meet our selection criteria and they are exhaustive (the “Comparable Bank(s)”). As the Comparable Banks are banking institutions, all of which are classified as city commercial bank, we are of the view that the Comparable Banks are relevant for comparison.

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Set out below are PBRs of the Comparable Banks based on their respective closing prices as at the date of the Announcement, and their respective latest published financial information:

Bank name (stock code)	PBR <i>(Note 1)</i>	Market capitalization of shares as at the date of the Announcement <i>(Note 2)</i> <i>HK\$' billion</i>
Shengjing Bank Co., Ltd. (2066)	0.08	7.48
Bank of Guizhou Co., Ltd. (6199)	0.51	24.07
Huishang Bank Corporation Limited (3698)	0.24	33.06
Bank of Jiujiang Co., Ltd. (6190)	0.48	18.93
Bank of Qingdao Co., Ltd. (3866 & SZ002948)	0.41	17.01
Zhongyuan Bank Co., Ltd. (1216)	0.13	11.33
Weihai City Commercial Bank Co., Ltd. (9677)	0.71	16.50
Bank of Zhengzhou Co., Ltd. (6196 & SZ002936)	0.30	17.78
Jiangxi Bank Co., Ltd. (1916)	0.08	3.98
Bank of Tianjin Co., Ltd. (1578)	0.16	10.62
Harbin Bank Co., Ltd. (6138)	0.04	2.66
Bank of Chongqing Co., Ltd. (1963 & SH601963)	0.38	21.91
Bank of Gansu Co., Ltd. (2139)	0.15	5.50
Jinshang Bank Co., Ltd. (2558)	0.29	7.42
Luzhou Bank Co., Ltd. (1983)	0.42	4.92
Maximum	0.71	
Minimum	0.04	
Average	0.29	
Median	0.29	
The Offer	0.28 ^(Note 3)	19.29 ^(Note 4)

Notes:

- The PBRs of the Comparable Banks were calculated based on (i) their respective latest published annual results or interim results or quarterly results; and (ii) their respective closing prices as quoted on the Stock Exchange and total issued shares as at the date of the Announcement.
- The market capitalization of the Comparable Banks was calculated based on (i) their respective total issued A shares, H shares and domestic shares (where applicable); (ii) their respective closing prices as quoted on the Stock Exchange and the Shanghai Stock Exchange or the Shenzhen Stock Exchange as at the date of Announcement; and (iii) the Exchange Rate.
- The implied PBR of the Offers was calculated based on the H Share Offer Price and the NAV attributable to the ordinary shareholders of the Bank as at 30 June 2022.

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4. The market value implied by the Offers was calculated based on (i) number of H Shares and Domestic Shares in issue as at the Latest Practicable Date; and (ii) the Offer Price.

The PBRs of the Comparable Banks ranged from approximately 0.04 times to approximately 0.71 times, with an average and median of approximately 0.29 times. The implied PBR of the Offers is within the said PBR range of the Comparable Banks and slightly lower than the average and median of the PBRs of the Comparable Banks.

It is worth to mention that PBR of the Offers would be higher than 0.28 times should the NAV attributable to the ordinary shareholders of the Bank be worse than that as at 30 June 2022 due to the material adverse impact on the financial and business conditions of the Group as mentioned in the subsection headed “2.1.4 Latest financial and business conditions of the Group” above.

6.5 Comparison with other privatisation transactions

We searched for completed privatisation transactions by way of general offer or scheme of arrangement which (i) were announced by listed companies in Stock Exchange during the period from 1 January 2023 up to and including the Latest Practicable Date (being approximately one year before the date of the Announcement and up to and including the Latest Practicable Date, which is adequate to provide a fair and representative sample for analysis of recent privatisation transactions); and (ii) involved cash only and did not have any pre-conditions. We did not include (i) privatisation transactions which have pre-conditions as they may take a long period (i.e. approximately one to three months according to recent cases) to fulfil such pre-conditions (e.g. governmental approval) (Note: if the pre-conditions are not fulfilled, the transaction agreement will be automatically terminated or the transaction proposal will not be made) and offeror has to consider attractiveness from perspective of uncertainty of the pre-condition and the time value of a longer transaction period when considering the offer price; and (ii) privatisation transactions by way of merger and absorption as (a) they have pre-conditions to fulfil; (b) usually, any dissenting shareholder under such arrangement may by written notice request the target companies and/or other shareholders who have approved the transaction to acquire its shares at a “fair price” (no guidance is in place on how the “fair price” will be determined), which may affect offeror’s consideration on pricing.

We found 8 privatisation cases (the “**Privatisation Cases**”) which meet the aforesaid criteria for comparison and they are exhaustive.

Company name (previous stock code)	The date of announcement of respective privatization (Note 1)	Premium/(discount) of the offer price over/to average closing price per share for					
		Last full	Last full	Last full	Last full	Last full	Last full
		trading	30 trading	60 trading	90 trading	trading	trading
		day	days	days	days	days	days
		(Note 2)	(Note 3)				
		Approximate	Approximate	Approximate	Approximate	Approximate	Approximate
		%	%	%	%	%	%
Jiangnan Group Limited (1366)	21 February 2023	83.49	106.86	101.90	91.37	83.49	78.00
Hailan Holdings Limited (2278)	8 May 2023	5.00	5.00	5.11	8.91	14.52	3.79

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Company name (previous stock code)	The date of announcement of respective privatization <i>(Note 1)</i>	Premium/(discount) of the offer price over/to average closing price per share for					
		Last full	Last full	Last full	Last full	Last full	Last full
		trading	30 trading	60 trading	90 trading	120	180
		day	days	days	days	trading	trading
	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 3)</i>	<i>(Note 3)</i>	<i>(Note 3)</i>	<i>(Note 3)</i>	
	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	
	%	%	%	%	%	%	
Golden Eagle Retail Group Limited (3308)	28 May 2023	63.42	55.45	49.92	54.53	49.26	45.26
Mason Group Holdings Limited (273)	11 June 2023	20.71	19.15	16.15	12.62	13.90	19.18
Yongsheng Advanced Materials Company Limited (3608)	23 June 2023	58.73	52.98	38.60	34.35	29.84	28.70
Dali Foods Group Company Limited (3799)	27 June 2023	37.87	30.42	21.94	18.60	14.60	12.99
CST Group Limited (985)	1 September 2023	61.29	36.67	(1.35)	(14.89)	(24.03)	(33.84)
Lansen Pharmaceutical Holdings Limited (503)	15 September 2023	26.76	20.35	15.37	20.62	21.23	21.65
	Maximum	83.49	106.86	101.90	91.37	83.49	78.00
	Minimum	5.00	5.00	(1.35)	(14.89)	(24.03)	(33.84)
	Average	44.66	40.86	30.96	28.26	25.35	21.97
	Median	48.30	33.55	19.05	19.61	17.91	20.41
The Bank		Nil	0.31	15.35	34.82	43.01	36.46

Source: Wind Financial Terminal and the Stock Exchange's website

Notes:

- The date of Takeovers Code Rule 3.5 announcement.
- The premium/(discount) of offer/cancellation price over/to closing price per share as quoted on the Stock Exchange on the last full trading day prior to the publication of initial announcement in relation to the respective privatisation, as disclosed in the respective privatisation documents (if available).
- The premium/(discount) of offer/cancellation price over/to average closing price per share as quoted on the Stock Exchange on the full 30/60/90/120/180 trading days prior to the publication of initial announcement in relation to the respective privatisation, as disclosed in the respective privatisation documents (if available).

As depicted in the above table, the LTD Performance and the 30-days Premium are below the relevant ranges of the Privatisation Cases; whereas the 60-days Premium, 90-days Premium, 120-days Premium and 180-days Premium fall within the relevant ranges of the Privatisation Cases. In addition, (a) the 60-days Premium is below the average and median premium; and (b) the 90-days Premium, 120-days Premium and 180-days Premium are above the average and median premium, of their relevant ranges represented by the Privatisation Cases.

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As discussed in the section headed “6.2 Historical price performance of the H Shares” above, subsequent to a general decreasing trend of closing price of the H Shares since the beginning of the Share Review Period, the closing price of the H Shares increased sharply to HK\$1.40 on 18 November 2022 and fluctuated between HK\$1.23 and HK\$1.40 thereafter until the Last Trading Date.

The performance of the closing price of the H Share during the 5-day period and 30-day period under review was inevitably influenced by the surge of closing prices of H Shares whereas the similar situation was absent in almost all the Privatisation Cases. We therefore consider the comparison of the H Share Offer Price to average closing price of the H Share with a longer period will be more appropriate, which will eliminate the distorted results as a result of surging or slumping of the closing prices of the Privatisation Cases in a short-term period preceding the publication of such cases.

6.6 Our conclusion on Offer Price

Despite that (i) the H Share Offer Price represents a discount of approximately 71.94% to the NAV per Share attributable to the ordinary shareholders of the Bank; and (ii) the LTD Performance and the 30-days Premium are below the relevant ranges of the Privatisation Cases, taking into account the following factors:

- (i) the H Share Offer Price of HK\$1.38 is within the aforesaid closing prices range during the Share Review Period and was above the daily closing prices of the H Shares for 183 trading days out of the total 259 trading days during the Share Review Period.

Since the suspension of trading in H Shares, the closing HSI was generally in a downward trend which declined by approximately 25.0% from 19 January 2023 to the Latest Practicable Date and all Comparable Banks' H share closing prices moved downward or remained unchanged for most of the trading days. However, the H Share Offer Price remains the same as the closing price of the H Share as at the Last Trading Date;

- (ii) the NAV Discount is within the NAV Discount Range during the Share Review Period and H shares of all Comparable Banks were traded below their respective latest available consolidated NAV attributable to owners of such Comparable Banks during the Share Review Period;
- (iii) the implied PBR of the Offers is within the said PBR range of the Comparable Banks and slightly lower than the average and median of the PBRs of the Comparable Banks. It is worth to mention that PBR of the Offers would be higher than 0.28 times should the NAV attributable to the ordinary shareholders of the Bank be worse than that as at 30 June 2022 due to the material adverse impact on the financial and business conditions of the Group as mentioned in the subsection headed “2.1.4 Latest financial and business conditions of the Group” above;

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- (iv) as analysed above, the comparison of the H Share Offer Price to average closing price of the H Share with a longer period will be more appropriate. The 60-days Premium, 90-days Premium, 120-days Premium and 180-days Premium fall within the relevant ranges of the Privatisation Cases; and
- (v) as discussed in the section headed “Liquidity of the H Shares” above, the H Shares’ trading volume was extremely thin during the Share Review Period. Even if trading of H Shares resumed, the disposal of a large number of H Shares by Independent H Shareholders in the open market may have adverse impact on the price of H Shares,

we are of the view that the Offer Price (the Domestic Share Offer Price is equivalent to the H Share Offer Price at the Exchange Rate) is fair and reasonable.

RECOMMENDATION

In relation to the Offers and the Delisting, taking into account the factors as discussed above, in particular:

The Offers:

- (i) as discussed in the section headed “Information of the Bank” above, some of the Group’s customers have entered into bankruptcy reorganisation proceedings and some of the other customers’ assets held by the Group have become delinquent, and although the extent of the impact of such proceedings and delinquent assets on the Group’s financial and business conditions cannot be determined at this time, it is expected to have a material adverse impact on the financial and business conditions of the Group.

The Bank did not distribute any dividend to the Shareholder for FY2020, FY2021 and 1H2022. In addition, as at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid to the Shareholders generally. The Bank has confirmed that it does not intend to announce, declare, make or pay any dividend, other distribution or return of capital during the Offer Period;

- (ii) trading in the H Shares of the Bank on the Stock Exchange has been suspended on 20 January 2023. The Offers may also represent the last exit opportunity offered by the Offeror for the Independent H Shareholders before the deadline of 19 July 2024 as imposed by the Stock Exchange for the Bank to fulfil the Resumption Guidance.

Even if trading of the H Shares was not suspended or after it is resumed, under the prevailing market sentiment, we are of the view that the Independent H Shareholders may not be able to realise their investments in the H Shares in a timely manner due to the extremely low liquidity of the H Shares (not to mention that disposal of large volume of H Shares will depress the price of the H Shares).

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Based on the above situation together with the uncertainties of resumptions, we consider the H Share Offer may also represent the last exit opportunity offered by the Offeror for the Independent H Shareholders before the deadline of 19 July 2024 as imposed by the Stock Exchange for the Bank to fulfil the Resumption Guidance; and

(iii) as concluded in the section headed “The Offer Price” above, the Offer Price being fair and reasonable taking into account the following factors (despite that (a) the H Share Offer Price represents a discount of approximately 71.94% to the NAV per Share attributable to the ordinary shareholders of the Bank; and (b) the LTD Performance and the 30-days Premium are below the relevant ranges of the Privatisation Cases):

- the H Share Offer Price of HK\$1.38 is within the aforesaid closing prices range during the Share Review Period and was above the daily closing prices of the H Shares for 183 trading days out of the total 259 trading days during the Share Review Period.

Since the suspension of trading in H Shares, the closing HSI was generally in a downward trend which declined by approximately 25.0% from 19 January 2023 to the Latest Practicable Date and all Comparable Banks’ H share closing prices moved downward or remained unchanged for most of the trading days. However, the H Share Offer Price remains the same as the closing price of the H Share as at the Last Trading Date;

- the NAV Discount is within the NAV Discount Range during the Share Review Period and H shares of all Comparable Banks were traded below their respective latest available consolidated NAV attributable to owners of such Comparable Banks during the Share Review Period;
- the implied PBR of the Offers is within the said PBR range of the Comparable Banks and slightly lower than the average and median of the PBRs of the Comparable Banks. It is worth to mention that PBR of the Offers would be higher than 0.28 times should the NAV attributable to the ordinary shareholders of the Bank be worse than that as at 30 June 2022 due to the material adverse impact on the financial and business conditions of the Group as mentioned in (i) above;
- as analysed above, the comparison of the H Share Offer Price to average closing price of the H Share with a longer period will be more appropriate. The 60-days Premium, 90-days Premium, 120-days Premium and 180-days Premium fall within the relevant ranges of the Privatisation Cases; and

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- as discussed in the section headed “Liquidity of the H Shares” above, the H Shares’ trading volume was extremely thin during the Share Review Period. Even if trading of H Shares resumed, the disposal of a large number of H Shares by Independent H Shareholders in the open market may have adverse impact on the price of H Shares,

we consider that the Offers (including the Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned.

The Delisting:

- (i) as stated above, we consider the H Share Offer may represent the last exit opportunity offered by the Offeror for the Independent H Shareholders before the deadline of 19 July 2024 as imposed by the Stock Exchange for the Bank to fulfil the Resumption Guidance. As also concluded above, the Offers (including the Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned. However, the H Share Offer is subject to the fulfillment of Conditions, among other things, (a) the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose; and (b) the passing of a special resolution by not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the Extraordinary General Meeting approving the Delisting; and
- (ii) upon implementation of the Offers, the H Shares will be delisted from the Stock Exchange, which is conducive to saving costs associated with compliance and maintaining of the listing status and providing room for operational adjustment. The Bank will also be able to redeploy the relevant resources used for maintaining the listing status to the Bank’s operations. The Shareholders (including those who do not opt to accept the Offers) will be indirectly benefited from the Group’s cost reduction and resources redeployment,

we consider that the Delisting is fair and reasonable so far as the Independent Shareholders are concerned, and the Delisting is in the interest of the Bank and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to (i) accept the Offers; and (ii) vote in favour of the Delisting resolution at the H Share Class Meeting and the Extraordinary General Meeting (as the case may be).

The Offeror has no rights under the laws of the PRC and the articles of association of the Bank to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in them holding securities that are not listed on the Stock Exchange or any other stock exchanges and the liquidity of such securities may be severely reduced. In addition, the Bank will no longer be subject to the requirements under the Listing Rules, and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

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Independent H Shareholders should also note that if they do not agree to the Offers, they can vote against the Delisting at the H Share Class Meeting and/or the Extraordinary General Meeting. If the number of votes cast, by way of poll, against the Delisting at the H Share Class Meeting is more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, the Offers would not become unconditional and the Bank would remain listed on the Stock Exchange.

We would also like to remind the Independent Board Committee to remind the Independent H Shareholders to consider selling their H Shares, where possible, instead of accepting the H Share Offer, if the net proceeds from such sales exceed the net amount receivable under the H Share Offer.

As different Independent Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Independent Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

* *For identification purpose only*

Bank of Jinzhou 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

1. PROCEDURES FOR ACCEPTANCE OF THE OFFERS

1.1 H Share Offer

- (a) To accept the H Share Offer, you should complete and sign the accompanying WHITE Form of Acceptance, which shall be executed as a deed, in accordance with the instructions printed thereon, which instructions form part of the terms of the H Share Offer. The Bank has specifically set up a consultation hotline to provide information in relation to the H Share Offer in response to only administrative or procedural queries as to completion of the WHITE Form of Acceptance and accepting the H Share Offer. It should be noted that the Bank has to comply with the requirements under the Takeovers Code in responding to any queries and will not respond to any matters exceeding the scope permitted under the Takeovers Code. The hotline cannot and will not provide advice on the merits of the H Share Offer or give financial or legal advice. Shareholders should consult a licensed securities dealer or other registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser. The said consultation hotline is (852) 2862 8647. The working hours of the aforementioned consultation hotline is from 9:00 a.m. to 6:00 p.m. (Hong Kong time), Mondays to Fridays, excluding Hong Kong public holidays.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Shares is/are in your name, and you wish to accept the H Share Offer, you must send the accompanying WHITE Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the 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 post or by hand, marked "**Bank of Jinzhou H Share Offer**" on the envelope, as soon as possible and in any event so as to reach the H Share Registrar no later than 4:00 p.m. (Hong Kong time) on 15 March 2024, being the First Closing Date, or such later time and/or date as the Offeror may decide and announce in accordance with the Takeovers Code.
- (c) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Share(s) is/are in the name of a nominee company or a name other than your own, and you wish to accept the H Share Offer whether in respect of all or part of your H Shares, you must either:
- (i) lodge the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the H Share Offer on your behalf and requesting it to deliver the accompanying WHITE Form of Acceptance duly

- completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of H Shares in respect of which you intend to accept the H Share Offer to the H Share Registrar in an envelope marked “**Bank of Jinzhou H Share Offer**”; or
- (ii) arrange for the H Shares to be registered in your name through the H Share Registrar and send the accompanying WHITE Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the H Share Registrar in an envelope marked “**Bank of Jinzhou H Share Offer**”; or
 - (iii) if your H Shares have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS, instruct your licensed securities dealer (or other registered dealer in securities or custodian bank) to authorise HKSCC Nominees Limited to accept the H Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer (or other registered dealer in securities or custodian bank) on the time needed for the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities or custodian bank) as required by them; or
 - (iv) if your H Shares have been lodged with your investor participant’s account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (d) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the H Share Offer, the accompanying WHITE Form of Acceptance should nevertheless be completed, signed and delivered in an envelope marked “**Bank of Jinzhou H Share Offer**” to the H Share Registrar together with a letter stating that you have lost one or more of relevant Share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you subsequently find such document(s) or if it/they subsequently become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity or indemnities required in respect thereof) should be forwarded to the H Share Registrar as soon as possible thereafter. If you have lost your H Share certificate(s), you should also write to the H Share Registrar for a form of letter of indemnity which, when completed in accordance with the instructions given therein, should be returned to

the H Share Registrar. The Offeror shall have absolute discretion to decide whether any H Shares in respect of which the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) If you have lodged transfer(s) of any of your H Shares for registration in your name and have not yet received your H Share certificate(s) and you wish to accept the H Share Offer, you should nevertheless complete and sign the accompanying WHITE Form of Acceptance and deliver it in an envelope marked “**Bank of Jinzhou H Share Offer**” to the H Share Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable instruction and authority to CICC and/or the Offeror and/or any of their respective agent(s) to collect from the Bank or the H Share Registrar, on your behalf, the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the H Share Registrar and to authorise and instruct the H Share Registrar to hold such Share certificate(s), subject to the terms and conditions of the H Share Offer, as if it was/they were delivered to the H Share Registrar with the accompanying WHITE Form of Acceptance.
- (f) By signing and returning the WHITE Form of Acceptance, you warrant to the Offeror, the Bank, CICC and parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers that you have not taken or omitted to take any action which will or may result in any members in the Offeror, the Bank, CICC or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers acting in breach of the legal or regulatory requirements of any territory in connection with the H Share Offer or your acceptance thereof.
- (g) Acceptance of the H Share Offer will be treated as valid only if the duly completed and signed WHITE Form of Acceptance is received by the H Share Registrar no later than 4:00 p.m. (Hong Kong time) on the First Closing Date and/or the Final Closing Date, or such later time and/or date as the Offeror may decide and announce in accordance with the Takeovers Code, and is:
 - (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those Share certificate(s) is/are not in your name, such other documents (for example a duly stamped transfer of the relevant H Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant H Shares; or

- (ii) from a registered H Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to H Shares which are not taken into account under another subparagraph of this paragraph (g)); or
- (iii) certified by the H Share Registrar or the Stock Exchange.

If the WHITE Form of Acceptance is executed by a person other than the registered H Shareholder, the WHITE Form of Acceptance must be accompanied by appropriate documentary evidence of authority (for example, a copy of the grant of probate or certified copy of a power of attorney) to the satisfaction of the H Share Registrar.

- (h) If the H Share Offer is withdrawn or lapses, the Offeror shall, as soon as possible but in any event no later than seven Business Days after the H Share Offer is withdrawn or lapses, return by ordinary post at your own risk the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the H Share Offer Shares tendered for acceptance together with the duly cancelled WHITE Form of Acceptance to the relevant H Shareholder(s).
- (i) No acknowledgement of receipt for any WHITE Form(s) of Acceptance, H Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (j) The address of the H Share Registrar is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

1.2 Domestic Share Offer

- (a) If you wish to accept the Domestic Share Offer, you need to send by post the duly completed GREEN Form of Acceptance and those supporting documents required under applicable PRC laws as further described in paragraph (c) below in this section in an envelope marked "**Bank of Jinzhou Domestic Share Offer**", to the Bank's registered office in the PRC at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC or to deliver such envelope in person or via fully authorised personnel during working hours on-site to the collection centre specifically set up by the Bank for the Domestic Share Offer as described in paragraph (b) below in this section, no later than 4: 00 p.m. on the Offer Closing Date.

- (b) In the light of the unique circumstances of the vast number of Domestic Shareholders, the Bank has specifically set up a collection centre and consultation hotlines to accept the Domestic Shareholders submission of the Domestic Share Offer documentation in person or via fully authorised personnel and to provide information in relation to the Domestic Share Offer in response to only administrative or procedural queries as to completion of the GREEN Form of Acceptance and accepting the Domestic Share Offer. It should be noted that the Bank has to comply with the requirements under the Takeovers Code in responding to any queries and will not respond to any matters exceeding the scope permitted under the Takeovers Code. The collection centre and consultation hotlines cannot and will not provide advice on the merits of the Domestic Share Offer or give financial or legal advice. Shareholders should consult a licensed securities dealer or other registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser. The said collection centre is located at 6-54, Section 5, Nanjing Road, Linghe District, Jinzhou City, Liaoning Province, the PRC and the consultation hotlines are 86-416-3220157, 86-416-3220109 and 86-416-3220053 (Domestic Shareholders who would like to consult may call any of these numbers). The working hours of the aforementioned collection centre and consultation hotlines are 8:30-11:30 and 13:30-17:30 (Beijing time), Mondays to Fridays, excluding PRC public holidays.
- (c) Acceptance of the Domestic Share Offer will be accepted and treated as valid only if the following documents are received by the Offeror no later than 4:00 p.m. on the Offer Closing Date:
- (i) the duly completed GREEN Form of Acceptance, which shall be executed as a deed;
 - (ii) if the GREEN Form of Acceptance is executed by a person other than the registered Domestic Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney, which should be notarised) to the satisfaction of the Offeror must be produced;
 - (iii) valid identification documents of the Domestic Shareholder. Such valid identification documents include:
 - (A) in respect of a domestic legal person Domestic Shareholder, such Domestic Shareholder is required to provide a photocopy of the business license (營業執照複印件) affixed with official seal of the legal person, certificate of legal representative (《法定代表人證明書》) (template of which is attached to the GREEN Form of Acceptance) affixed with official seal of the legal person, and photocopy of identity card of its legal representative affixed with official seal of the legal person; or

- (B) in respect of a domestic natural person Domestic Shareholder, such Domestic Shareholder is required to provide a photocopy of his/her resident identity card of the PRC or other effective identification documents (if there is no resident identity card) signed by the Domestic Shareholder for confirmation; or
 - (C) where (i) a domestic legal person Domestic Shareholder appoints a person other than its legal representative or (ii) a domestic natural person Domestic Shareholder appoints a person other than himself/herself (i.e. fully authorised personnel) to submit the documentation in person, the authorisation document for the authorisation of such person is required to be provided. The authorisation document of a natural person Shareholder should be notarised;
- (iv) in respect of an accepting Domestic Shareholder under the Domestic Share Offer which is a legal person, the documents stated below:
- (A) for those that are not ultimately controlled by a state-owned entity, the resolution, written acknowledgment by the board of directors of the company or any resolution or written acknowledgment by entity entitled to accept the Domestic Share Offer in accordance with its memorandum and articles of association; or
 - (B) for those that are ultimately controlled by a state-owned entity, the approval documents for acceptance and settlement of the Domestic Share Offer from the relevant state-owned assets supervision and administration authorities (or written explanation, affixed with the official seal of the legal person, if this is not applicable);
- (v) effective authorisation letter (template of which is attached to the GREEN Form of Acceptance) to authorise the Bank to handle with full authority all matters in relation to the registration and transfer of the Domestic Shares (affixed with the official seal of the legal person and signed by its legal representative in case of a legal person Domestic Shareholder, or signed by himself/herself and must be notarised in case of a natural person Domestic Shareholder);
- (vi) In respect of the notarisation certificates for the GREEN Form of Acceptance under item (i) above and the effective authorisation letter under item (v) above, the signing of the notarisation certificate is genuine and valid (domestic Shareholders need to prepare their own notarisation in case of submission by post, or they can submit notarisation certificate prepared on their own or apply for notarisation on-site at the collection centre in case of submission in person. The on-site notarisation service will be provided by the Jinzhou Notarial Office. Domestic Shareholders may choose to prepare their own notarisation or

apply for notarisation on-site. If Domestic Shareholder chooses to apply for on-site notarisation, the Jinzhou Notarial Office will charge such Domestic Shareholder a fee for notarisation in accordance with the Charging Standards for Notarisation Service in Liaoning Province (《遼寧省公證服務收費標準》) formulated by Liaoning Development and Reform Commission. For the GREEN Form of Acceptance, the estimated notarisation fee would be RMB200 each, while the estimated notarisation fee for the effective authorisation letter, if applicable, would be RMB500 each. The aforementioned fees shall be borne by Domestic Shareholders who require on-site notarisation); and

- (vii) such other documents as required by CSDCC for the registration and transfer of the Domestic Shares.
- (d) Pursuant to applicable rules of CSDCC, the Domestic Share Offer Transfer Fee (if any) is required to be paid by the Offeror and the relevant accepting Domestic Shareholder under the Domestic Share Offer in equal shares (CSDCC charges a fee of 0.025%, being a fee of RMB0.00025 per Domestic Share, on each of the Offeror and the Domestic Shareholder, with a cap of RMB100,000 for each party). In this connection, the Domestic Share Offer Transfer Fee that you are required to pay will be deducted by the Offeror when settling the consideration and such deducted amount will be passed to the Bank for the sole purpose of implementing the registration and transfer of the Domestic Shares. No invoice or other payment proof will be issued to you by the Offeror or the Bank regarding the payment of any transfer fees in connection with your acceptance of the Domestic Share Offer. If you require such documentation, please liaise with CSDCC directly.
- (e) No acknowledgement of receipt of any GREEN Form of Acceptance and any documents that are required to be provided for the acceptance of the Domestic Share Offer as stated in this Composite Document will be given.
- (f) By signing and returning the GREEN Form of Acceptance, you warrant to the Offeror, the Bank, CICC and parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers that you have not taken or omitted to take any action which will or may result in any members in the Offeror, the Bank, CICC or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers acting in breach of the legal or regulatory requirements of any territory in connection with the Domestic Share Offer or your acceptance thereof.
- (g) The Offeror will be entitled to reject any acceptance which does not comply with the provisions and instructions contained in this Composite Document and in the GREEN Form of Acceptance, or which is otherwise incomplete, incorrect or invalid in any respect. If you wish to accept the Domestic Share Offer, it is your responsibility to ensure that the GREEN Form of Acceptance is duly completed in

all respects and all required documents are provided. A decision by the Offeror to reject any acceptance on the grounds that it has been invalidly, incorrectly or incompletely signed, completed or submitted will be final and binding and the Offeror shall not accept any responsibility or liability for the consequences of such a decision.

- (h) Please note that by completing and sending the GREEN Form of Acceptance and other required documentation (as more particularly set out in paragraph (c) in this section) to the Bank (who will promptly pass the same to the Offeror), you will be appointing the Bank as your attorney to handle all matters in respect of all the Domestic Shares to which your acceptance relates (including the registration and transfer of such Domestic Shares).
- (i) In the event that the required documents set out in paragraph (c) above for accepting the Domestic Share Offer are not provided by or before 4:00 p.m. on the Offer Closing Date, you shall be deemed to be declining the acceptance of the Domestic Share Offer.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offers are made on 23 February 2024, the date of posting of this Composite Document, and are capable of acceptance on and from this date.
- (b) The Offeror has the right, subject to the Takeovers Code, to extend the Offers after the despatch of this Composite Document or to revise the terms of the Offers, and make any revision to any of the Offers or any subsequent revision thereof to the extent necessary to implement the revised Offers and subject to the consent of the Executive.
- (c) Unless the Offers have previously been revised or extended with the consent of the Executive, to be valid, the duly completed Forms of Acceptance must be received no later than 4:00 p.m. on the First Closing Date and/or the Final Closing date (as the case may be), in accordance with the instructions printed on the Forms of Acceptance. Assuming the H Share Offer is declared unconditional on the First Closing Date, the H Share Offer will be extended for a subsequent period until 28 calendar days after the H Share Offer is declared unconditional (which is 14 days longer than the 14 calendar days normally required by Rule 15.3 of the Takeovers Code pursuant to Note (i) to Rule 2.2 of the Takeovers Code) before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer to process the transfer of their H Shares.

- (d) If the Offers are extended or revised, the announcement of such extension will state the next Offer Closing Date or, if the Offer is at that time unconditional as to acceptances, a statement that the Offers will open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers is closed to those Shareholders who have not accepted the Offers.
- (e) If, during the course of the Offers, the Offeror revises the terms of the Offers, all Shareholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days following the date on which the revised offer document is posted and shall not be closed earlier than the First Closing Date.
- (f) The Offeror may introduce new conditions to be attached to any revision to the terms of the Offers, or any subsequent revision thereof, but only to the extent necessary to implement the revised Offers, and subject to the consent of the Executive.
- (g) If the Offer Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the "First Closing Date" shall, except where the context otherwise requires, be deemed to refer to the subsequent Offer Closing Date.
- (h) The acceptance of the Offers by or on behalf of a Shareholder in its original form, shall be treated as an acceptance of the relevant Offer as so revised.
- (i) There is no obligation to extend the Offers if the Conditions are not satisfied by the First Closing Date or any subsequent Offer Closing Date.

3. SETTLEMENT OF THE OFFER

- (a) In respect of the H Share Offer, provided that the WHITE Form of Acceptance and relevant Share certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order and have been received by the H Share Registrar by not later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be) (or such later time and/or date as the Offeror may decide and announce with the consent of the Executive) and the H Share Offer has become or been declared unconditional in all respects, a cheque for the amount due to the H Shareholders validly accepting the H Share Offer in respect of the H Shares tendered by them under the H Share Offer, less seller's ad valorem stamp duty payable by them, will be despatched to the H Shareholders validly accepting the H Share Offer at their respective addresses as they appear in the register of members of the Bank or, in the case of joint Shareholders, to the Shareholder whose name appears first in the register of members of the Bank, unless otherwise specified in the relevant Form of Acceptance completed, returned and received by the Registrar, by ordinary post at their own risk as soon as possible but in any event no later than seven Business Days following the later of the Offer Unconditional Date and the date on which all the relevant documents are received by the H Share Registrar to render such acceptance in respect of the Offer complete and valid.

- (b) In respect of the Domestic Share Offer, as settlement of consideration under the Domestic Share Offer, which will be made via wire transfer by the Offeror, is subject to certain transfer and registration formalities and procedures imposed by CSDCC, which may require cooperation by the Domestic Shareholders and are not within the control of the Offeror, as such settlement arrangements would require more than seven Business Days to complete, the Offeror has applied to the Executive for, and the Executive has indicated that it is minded to grant, a waiver from strict compliance with Rule 20.1(a) of the Takeovers Code for the Domestic Share Offer. Remittances in respect of the cash consideration payable for the Domestic Shares tendered under the Domestic Share Offer will be made via wire transfer according to the bank account details of the transferor set out on the first page of the GREEN Form of Acceptance no later than seven Business Days following the later of (i) the date on which the Domestic Share Offer becomes or is declared unconditional in all respects and (ii) the date on which the registration and transfer to the Offeror of all the Domestic Shares tendered for acceptance under the Domestic Share Offer by the relevant Domestic Shareholder has been completed.
- (c) No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who validly accepts the Offer will be rounded up to the nearest cent.
- (d) In the case of H Shareholders accepting the H Share Offer, any cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.
- (e) Settlement of the consideration to which a Shareholder is entitled under the Offers will be implemented in full accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.
- (f) Any acceptance of the relevant revised Offer and/or any election pursuant thereof shall be irrevocable unless and until the accepting Shareholder of the Offers becomes entitled to withdraw his/her/its acceptance under the paragraph headed “6. RIGHT OF WITHDRAWAL” below and duly does so.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Share(s) as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Share(s) whose investments are registered in the names of nominees (including those whose interests in Shares are held through CCASS) to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their respective nominees.

5. ANNOUNCEMENTS

By 6:00 p.m. on the First Closing Date and/or the Final Closing Date (as the case may be) (or such later time(s) and/or date(s) as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offers. The Offeror and the Bank will jointly publish an announcement to be posted on the Stock Exchange's website by 7:00 p.m. (Hong Kong time) on the First Closing Date and/or the Final Closing Date (as the case may be) stating whether the Offers have been revised or extended (in which case either the next Offer Closing Date must be stated or a statement made that the Offers will remain open for acceptance for 14 days thereafter in accordance with the Takeovers Code), or has expired or has become or been declared unconditional (and, in such case, whether as to acceptances or in all respects).

The results announcement will state the total number of Shares and the rights over Shares:

- (a) for which acceptances of the Offers have been received;
- (b) held, controlled or directed by the Offeror or the Concert Parties before the Offer Period; and
- (c) acquired or agreed to be acquired during the Offer Period by the Offeror or the Concert Parties.

The announcement shall also (i) specify the percentages of the issued share capital of the Bank and the percentages of voting rights represented by these numbers of Shares; and (ii) include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Bank which the Offeror or the Concert Parties has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

If the Offeror, the Concert Parties or the Offeror's advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and in compliance with Note 1 to Rule 30.2 of the Takeovers Code and in accordance instructions as set out in this Appendix I of this Composite Document and on the applicable Forms of Acceptance, and which have been received by the H Share Registrar (in respect of the H Share Offer) and the registered office of the Bank or the collection centre specifically set up by the Bank for the Domestic Share Offer (in respect of the Domestic Share Offer) respectively no later than 4:00 p.m. on the Offer Closing Date, being the latest time and date for acceptance of the Offers, shall be included.

As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Offers in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be published on the website of the Stock Exchange and made in accordance with the requirements of the Listing Rules.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below or in compliance with Rule 17 of the Takeovers Code which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offer has not by then become unconditional as to acceptances.
- (b) If the Offeror is unable to comply with the requirements set out paragraph 5 of this Appendix I, under Rule 19.2 of the Takeovers Code, the Executive may require that the Shareholders who tendered acceptances of the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven Business Days after the Shareholders' withdrawal, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Forms of Acceptance to the relevant Shareholder(s).

Save as aforesaid, acceptances of the Offers shall be irrevocable and not capable of being withdrawn.

7. POSTING

All documents, communications, notices, Forms of Acceptance, proxy forms, title documents and remittances to be delivered or sent by, to or from any Shareholders will be delivered or sent by, to and from them, or their delegated agents, by ordinary post at their own risk. Such documents, communications, notices, title documents and remittances will be sent to the Shareholders' addresses as they appear in the register of members of the Bank or, in the case of joint Shareholders, to the Shareholder whose name appears first in the register of members of the Bank, unless otherwise specified in the relevant Form of Acceptance completed, returned and received by the Registrar. None of the Bank, the Offeror, CICC, Gram Capital and the H Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers will be responsible for any loss or delay in transmission or any other liability that may arise as a result thereof or in connection therewith.

8. OVERSEAS SHAREHOLDERS

- (a) The making of the H Share Offer to H Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder who wishes to accept or take any other action in relation to the H Share Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any issue, transfer or other taxes due from such Shareholder in such relevant jurisdictions. The Offeror, the Bank, CICC, the H Share Registrar, and parties acting in concert with any of them and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by the overseas Shareholders for any taxes as such person may be required to pay.
- (b) **Any acceptance of the H Share Offer by any H Shareholder will be deemed to constitute a representation and warranty from such H Shareholder to the Offeror, the Bank and their respective advisers (including CICC) that all applicable laws and requirements have been complied with by such H Shareholder and that the H Share Offer can be accepted by such H Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.**
- (c) **Notice to U.S. holders of Shares**

The Offers are being made for the securities of a joint stock company incorporated in PRC with limited liability and are subject to Hong Kong disclosure and other procedural requirements, which are different from those of the United States. The financial information included in this Composite Document has been prepared in accordance with IFRS and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. In addition, U.S. Shareholders should be aware that this Composite Document has been prepared in accordance with Hong Kong format and style, which differs from United States format and style. The Offers will be extended into the United States pursuant to the applicable U.S. tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Offers are subject to Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, Offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offers by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offers.

U.S. Shareholders may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as each of the Offeror and the Bank is located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. In addition, most of the assets of the Offeror and the Group are located outside the United States. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. Shareholders may encounter difficulty effecting service of process within the United States upon the Offeror or the Bank or their respective officers or directors or compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Offers, before or during the period in which the Offers remains open for acceptance. In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, CICC and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States and (ii) if applicable, the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and, to the extent made public by the SFC, will be available on the websites of the SFC at www.sfc.hk and the Stock Exchange at www.hkexnews.hk.

9. STAMP DUTY

Hong Kong Stamp Duty

Seller's ad valorem stamp duty at the rate of 0.10% of (i) the value of the consideration arising on acceptances of the H Share Offer payable by the Offeror or (ii) if higher, the market value of the Offer Shares will be payable by the H Shareholders who accept the H Share Offer. The relevant amount of stamp duty payable by the H Shareholders who accept the H Share Offer will be deducted from the consideration payable to them under the H Share Offer.

The Offeror will bear buyer's ad valorem stamp duty in respect of acceptances of the H Share Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the H Shares in respect of which the H Share Offer is accepted.

PRC Stamp Duty

A PRC stamp duty arising in connection with acceptances of the Domestic Share Offer will be payable by the relevant Shareholders and the Offeror respectively at a rate of 0.05% of the consideration in respect of the relevant acceptances of the Domestic Share, in accordance with the Stamp Duty Law of the PRC.

10. TAX IMPLICATIONS

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. It is emphasized that none of the Offeror, the Bank, CICC, Gram Capital and the H Share Registrar and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

11. GENERAL

- (a) All communications, notices, Forms of Acceptance, Share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by post at their own risk, and neither the Bank, the Offeror, CICC, Gram Capital and the H Share Registrar nor any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.
- (b) The provisions set out in the accompanying Forms of Acceptance form part of the terms of the Offers.
- (c) The accidental omission to despatch this Composite Document and/or the Forms of Acceptance to any person to whom the Offers is made will not invalidate the Offers in any way.

- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of a Shareholder will constitute such Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offers.
- (e) Due execution of a Form of Acceptance will constitute the irrevocable appointment of any director or officer of the Offeror, CICC, or such other person as any of them may direct, as such accepting Shareholder's agent (the "Agent") and an irrevocable authority and instruction to the Agent to complete and execute the Form of Acceptance and/or any other document at the Agent's discretion on behalf of such accepting Shareholder and to do any other act that may in the opinion of the Agent be necessary, expedient or desirable for the purposes of vesting in the Offeror or such person or persons as it may direct the Shares in respect of which such person has accepted the Offers.
- (f) Acceptance of the Offers by any person will constitute a representation and warranty by such person to the Offeror and CICC that (i) it/he/she has full power and authority to tender, sell, assign and transfer all the Offer Shares specified in such Form of Acceptance, and (ii) the Offer Shares acquired under the Offers are sold free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights, entitlements, and benefits attaching to them or subsequently becoming attached to them, including the right to any dividends, other distributions and return of capital, if any, announced, declared, made or paid after the date on which such Offer Shares are transferred to the Offeror.
- (g) The settlement of the consideration to which any Shareholder is entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.
- (h) Any Shareholders accepting the Offers will be responsible for payment of any transfer or cancellation or other taxes, duties and other required payments payable in each relevant jurisdiction due by such persons.
- (i) Acceptance of the Offers by any nominee will be deemed to constitute a representation and warranty by such nominee to the Offeror that the number of Shares it has indicated in the Form of Acceptance is the aggregate number of Shares for which such nominee has received authorisations from the beneficial owners to accept the Offers on their behalf.
- (j) All questions as to the validity, form, eligibility (including the time of receipt) and acceptance for payment of any acceptance under the Offers will be determined by the Offeror in its sole discretion, which determination will be final and binding on

all of the parties (except as otherwise required under the applicable laws or regulations or by the Takeovers Code). The Offeror reserves the absolute right to reject any or all acceptances it determines not to be in proper form or the acceptance or payment therefor which may, in the opinion of the Offeror, be unlawful. The Offeror also reserves the absolute right (provided that this is exercised consistently with the requirements of the Takeovers Code or otherwise with the Executive's consent) to waive any of the terms of the Offers, except the Conditions, either generally or in a particular case and any defect or irregularity in the acceptance of any particular Share or any particular holder thereof. An acceptance may be rejected as invalid unless all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Offers will not be despatched until after the Form of Acceptance is completed in all respects and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) satisfactory to the Offeror have been received. None of the Offeror, CICC, the H Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisers or any other person involved in the Offers is or will be obliged to give notice of any defects or irregularities in acceptances, and none of them will incur any liability for failure to give any such notice.

- (k) In making their decision, the Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any advice or recommendation contained herein together with the Forms of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Bank, CICC or their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisers or any other person involved in the Offers. Shareholders should consult their own professional advisers for professional advice.
- (l) This Composite Document and the Forms of Acceptance have been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offers in Hong Kong and the operating rules of the Stock Exchange.
- (m) Unless otherwise expressly stated in this Composite Document and/or the Forms of Acceptance, none of the terms of the Offers or any terms contained in this Composite Document will be enforceable, under the Contracts (Rights of Third Parties) Ordinance Cap. 623, by any person other than the Offeror and the accepting Shareholders.

12. INTERPRETATION

- (a) A reference in this Composite Document to a Shareholder includes a reference to a person(s) who, by reason of an acquisition or transfer of Shares, is entitled to execute a Form of Acceptance and in the event of more than one person executing a Form of Acceptance, the provisions of this Composite Document apply to them jointly and severally.
- (b) A reference in this Composite Document and the Forms of Acceptance to the Offers shall include any extension and/or revision thereof.
- (c) A reference in this Composite Document and the Forms of Acceptance to the masculine gender includes the feminine and neuter genders, and a reference to the singular includes the plural, and vice versa.
- (d) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

References are made to (i) the Bank's announcements dated 31 March 2023 and 31 August 2023 in relation to the delay in publication of the FY2022 Results and the 1H2023 Results, on the basis that the auditor of the Bank would require additional information and time to complete the audit procedures in respect of the FY2022 results as the transactions relating to the significant financial reorganization of the Bank are yet to be confirmed.

In addition, as some of the Group's customers have entered into bankruptcy reorganisation proceedings and some of the other customers' assets held by the Group have become delinquent (as referred to in the NMC Statement) and the transactions relating to the significant financial reorganisation of the Bank (as referred to in the announcement of the Bank dated 31 August 2023) are yet to be confirmed, the extent of their actual impact on the financial position of the Bank cannot be determined and the Bank will not be able to produce management accounts which accurately reflect the financial position and performance of the Bank at this time.

In light of the above, the Bank has encountered genuine difficulties in disclosing the FY2022 Results, the 1H 2023 Results and management accounts, and as alternative disclosure, the Bank has included in this Composite Document:

- (i) the financial results of the Bank for the last three financial years for which information has been published in accordance with paragraph 6(a)(i) to (iv) of Schedule II of the Takeovers Code, being the financial results for 2019, 2020 and 2021;
- (ii) the interim results of the Bank for the six months ended 30 June 2022;
- (iii) the NMC Statement; and
- (iv) a comparison of the Offer Price with the net asset value of the Bank based on the its last published accounts (being the interim results of the Bank for the six months ended 30 June 2022).

In addition, the Relevant Statement constitutes a profit forecast under Rule 10.6 of the Takeovers Code as it implies a worsening of the Bank's profit or loss position. Pursuant to Rule 10.2(a) of the Takeovers Code, it is required for the assumptions upon which the Directors have based such profit forecast to be stated in this Composite Document. Such assumptions include, 1. there will not be significant improvement in the condition of the customers which have entered into bankruptcy reorganisation proceedings and the other customers whose assets held by the Group have become delinquent, 2. the value of the relevant assets of the customers which have entered into bankruptcy reorganisation proceedings and the other customers whose assets held by the Group have become delinquent may not be fully recovered, and 3. the recovery rate of the aforementioned assets is assumed to be not higher than the market average recovery rate

of disposal of non-performing asset (as referenced from a market study report by a leading financial institution in the non-performing asset disposal market, the definition of “non-performing asset” in which is consistent with “non-performing asset” as defined by CBIRC, the People’s Bank of China and other PRC regulators).

Moreover, as the Relevant Statement constitutes a profit forecast under Rule 10.6 of the Takeovers Code, such profit forecast is required to be reported on by the Independent Financial Adviser and the Auditor of the Bank pursuant to Rules 10.3(b), 10.4, 10.5 and 10.11 of the Takeovers Code. However, as (i) it is practically difficult for the Independent Financial Adviser of the Bank to analyse and report on the implied profit forecast under the Relevant Statement because the relevant financial information is not available and (ii) the auditor has encountered significant practical difficulties in reporting on the Relevant Statement because the relevant financial information and the underlying accounting policies and calculations is not available for its analysis, in both cases, due to the fact that some of the Group’s customers have entered into bankruptcy reorganisation proceedings and some of the other customers’ assets held by the Group have become delinquent and the transactions relating to the significant financial reorganisation of the Bank are yet to be confirmed such that the extent of their actual impact on the financial position of the Bank cannot be determined. As a result, the Bank has applied to the Executive for, and the Executive has indicated that it is minded to grant, a waiver from strict compliance with the reporting requirements under Rules 10.3(b), 10.4, 10.5 and 10.11 of the Takeovers Code.

The following is a summary of the audited consolidated financial results of the Group for the years ended 31 December 2019, 2020 and 2021 as extracted from the respective audited consolidated financial statements of the Group as set forth in the Bank’s 2020 and 2021 annual reports, as well as the unaudited financial results of the Group for the six months ended 30 June 2021 and 2022 as extracted from the respective consolidated financial statements as set forth in the Bank’s 2021 and 2022 interim report:

	For the six months		For the year ended 31 December		
	ended 30 June		2021	2020	2019
	2022	2021	2021	2020	2019
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Operating Results					
Interest income	18,943,721	19,124,154	39,297,278	37,344,545	47,820,476
Interest expense	(13,609,930)	(13,443,550)	(27,249,528)	(28,045,398)	(28,475,443)
Net interest income	5,333,791	5,680,604	12,047,750	9,299,147	19,345,033
Service charge and net commission income	216,502	291,570	368,398	174,690	231,714
Net trading (losses)/gains	(167,427)	184,338	85,094	(118,122)	3,372,617
Dividend income	–	14,248	16,328	1,440	1,200

	For the six months		For the year ended 31 December		
	ended 30 June		2021	2020	2019
	2022	2021	2021	2020	2019
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net gains arising from investment securities	162,280	8,055	30,335	1,721	240,556
Net foreign exchange gains/(losses)	14,645	9,402	16,391	(78,105)	(42,008)
Other net operating income	550	1,951	3,508	28,522	20,587
Operating income	5,560,341	6,190,168	12,567,804	9,309,293	23,169,699
Operating expenses	(1,462,962)	(1,435,592)	(3,168,144)	(3,318,583)	(3,761,683)
Operating profit before impairment	4,097,379	4,754,576	9,399,660	5,990,710	19,408,016
Impairment losses on assets	(3,841,794)	(4,373,611)	(8,875,671)	(5,662,563)	(20,846,120)
Profit/(loss) before tax	255,585	380,965	523,989	328,147	(1,438,104)
Income tax (expenses)/credits	(113,186)	(194,922)	(421,650)	(174,620)	327,858
Net profit/(loss)	142,399	186,043	102,339	153,527	(1,110,246)
Net profit/(loss) attributable to shareholders of the parent company	266,440	429,890	1,272,581	404,569	(958,545)
Calculated on a per share basis (RMB)					
Basic and diluted earnings/(losses) per share	0.02	0.03	0.05	(0.02)	(0.12)

Except as disclosed in the above summary of the audited consolidated financial results, there were no items of income or expenses which are material in the consolidated financial statements of the Group in any of the years ended 31 December 2019, 2020 and 2021 and in the six months ended 30 June 2022.

There was no modified opinion, emphasis of matter, or material uncertainty related to going concern contained in the auditors' report of the Group issued by Crowe (HK) CPA Limited for any of the years ended 31 December 2019, 2020 and 2021.

2. INFORMATION INCORPORATED BY REFERENCE

Additional financial information of the Group as at and for the year ended 31 December 2021 and for the six months ended 30 June 2022 has been published in the reports as follows:

- (a) The consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2021 is shown in the 2021 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20224014001.pdf), on page 171.

- (b) The consolidated statement of income statement of the Group for the year ended 31 December 2021 is shown in the 2021 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220414001.pdf), on page 170.
- (c) The consolidated statement of financial position of the Group as at 31 December 2021 is shown in the 2021 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220414001.pdf), from pages 172 to 173.
- (d) The consolidated statement of changes in equity for the Group for the year ended 31 December 2021 is shown in the 2021 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220414001.pdf), from page 174.
- (e) The consolidated statement of cash flows of the Group for the year ended 31 December 2021 is shown in the 2021 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220414001.pdf), from pages 175 to 176.
- (f) The condensed consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 June 2022 is shown in the 2022 interim report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220821001.pdf), on page 101.
- (g) The condensed consolidated consolidated income statement of the Group for the six months ended 30 June 2022 is shown in the 2022 interim report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220821001.pdf), on page 100.
- (h) The condensed consolidated statement of financial position of the Group as at 30 June 2022 is shown in the 2022 interim report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220821001.pdf), from pages 102 to 103.
- (i) The condensed consolidated statement of changes in equity for the Group for the six months ended 30 June 2022 is shown in the 2022 interim report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220821001.pdf), on page 104.
- (j) The condensed consolidated statement of cash flows of the Group for the six months ended 30 June 2022 is shown in the 2022 interim report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220821001.pdf), from pages 105 to 106.

3. INDEBTEDNESS, CONTINGENCIES AND COMMITMENTS

As at the close of business on 31 December 2023 (being the latest practicable date for the indebtedness statement), the debt profile of the Bank is as follows:

- (a) 25 outstanding interbank certificates of deposit with a balance of approximately RMB12,580 million;
- (b) deposits from customers, deposits from banks and other financial institutions, financial assets sold under repurchase agreements, debt securities payable, placements from banks and other financial institutions, and borrowing from the central bank; and
- (c) loan commitments, acceptances, letters of credit and letters of guarantees issued, other commitments and contingent items in the normal course of business of the Group (including pending litigations).

Save for the above, as at 31 December 2023, the Bank has no material outstanding loans, collaterals, other loan funds (issued or agreed to be issued), liabilities under acceptance or other similar indebtedness, hire purchase and financial lease commitments, or any other guarantees or other material contingent liabilities.

4. MATERIAL CHANGES

The Directors confirm that, save as and except for the below, there was no material change in the financial or trading position or outlook of the Group since 31 December 2021, being the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (a) as disclosed in the Bank's announcement on 2 February 2023, the major shareholders in the PRC intend to implement a series of financial reorganisation transactions with the Bank;
- (b) some of the Group's customers have entered into bankruptcy reorganisation proceedings and some of the other customers' assets held by the Group have become delinquent, and although the extent of the impact of such proceedings and delinquent assets on the Group's financial and business conditions cannot be determined at this time, it is expected to have a material adverse impact on the financial and business conditions of the Group; and

- (c) as stated in the Bank's announcement dated 28 October 2022, the Bank redeemed 74,800,000 non-cumulative perpetual offshore preference shares on 27 October 2022 in whole with aggregate redemption price of US\$1,578,280,000 (being the sum of (a) the aggregate liquidation preference of the offshore preference shares in the amount of US\$1,496,000,000; and (b) the dividend in the amount of US\$82,280,000).

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies (and accompanying notes) which are of major relevance for the interpretation of the financial statements of the Group are set out in the following documents issued by the Bank:

- (a) the 2021 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20220414001.pdf), from page 177 onwards;
- (b) the 2020 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20210407001.pdf) from page 172 onwards; and
- (c) the 2019 annual report of the Bank published on the website of the Bank (https://www.jinzhoubank.com/data/tosend/resource/upload/UploadFile/PDF/E_20200630005.pdf) from page 171 onwards.

6. CHANGES IN ACCOUNTING POLICY

There was no change in the Group's accounting policy during the years ended 31 December 2019, 2020 and 2021 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

1. RESPONSIBILITY STATEMENTS

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offers, the Offeror, and the Group.

The information contained in this Composite Document relating to the Group has been supplied by the Bank. As at the date of this Composite Document, the Directors are Mr. Wei Xuekun, Mr. Guo Wenfeng, Mr. Kang Jun, Mr. Yang Weihua and Mr. Yu Jun as executive Directors, Mr. Zhang Guojian, Mr. Zhao Chuanxin, Ms. Gu Jihong, Mr. Lyu Fei and Mr. Luo Nan as non-executive Directors and Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, Mr. Wang Xiongyuan and Mr. Su Mingzheng as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than any information relating to the Offeror and the Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statements in this Composite Document misleading.

The information contained in this Composite Document relating to the Offeror has been supplied by the Offeror. As at the date of this Composite Document, the directors of the Offeror are Mr. Lu Jue, Mr. Zhang Yuanjun, Ms. Wang Lihua, Mr. Yao Haixin, Ms. Liu Yuanyuan, Mr. Lin Ping and Mr. Jiao Zhiwei. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statements in this Composite Document misleading.

2. SHARE CAPITAL

As at the date of this Composite Document, the issued share capital of the Bank is 13,981,615,684 Shares divided into 3,517,320,000 H Shares and 10,464,295,684 Domestic Shares. All of the Shares ranked *pari passu* in all respects as regards right to capital, dividends and voting, except that payment of dividend will be made in RMB to the Domestic Shareholders and in Hong Kong dollars to the H Shareholders.

The Bank had not issued any Shares since 31 December 2021 (being the date on which the latest published audited financial statements of the Group were made up).

As at the Latest Practicable Date, the Bank does not have any outstanding options, warrants, derivatives and securities which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, warrants, derivatives or securities which are convertible or exchangeable into Shares.

3. MARKET PRICES

Since trading in the H Shares of the Bank on the Stock Exchange was suspended with effect from 9:00 a.m. on 20 January 2023, and as at the Latest Practicable Date, the H Shares were still suspended from trading on the Stock Exchange, the table below shows the closing prices of the H Shares as quoted on the Stock Exchange (i) on the last trading day of each of the six calendar months leading up to the Last Trading Date (i.e. 19 January 2023), and (ii) on the Last Trading Date.

Date	Closing price per Share HK\$
2022	
29 July	1.00
31 August	0.70
30 September	0.70
31 October	0.62
30 November	1.35
30 December	1.40
2023	
19 January 2023 (Last Trading Date)	1.38

During the Last Trading Period:

- (i) the highest closing price of H Shares as quoted on the Stock Exchange was HK\$1.40 per H Share on 18 November 2022 and from 14 December 2022 to 12 January 2023; and
- (ii) the lowest closing price of H Shares as quoted on the Stock Exchange was HK\$0.55 per H Share from 2 November 2022 to 4 November 2022.

4. DISCLOSURE OF INTERESTS AND DEALINGS**The Offeror**

- (a) For the purpose of paragraph 4 in this Appendix III to this Composite Document, “interested” has the same meaning as ascribed to that term in Part XV of the SFO. Save as disclosed in the table at the end of this section, as at the Latest Practicable Date, the Offeror did not hold any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (b) As at the Latest Practicable Date, the directors of the Offeror was not interested in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (c) Save as disclosed in the table at the end of this section, as at the Latest Practicable Date, none of the Concert Parties owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (d) As at the Latest Practicable Date, no person who owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares had, prior to the Despatch Date, irrevocably committed themselves to accept or reject the Offers.
- (e) As at the Latest Practicable Date, no person with whom the Offeror or any of the Concert Parties had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (f) As at the Latest Practicable Date, none of the Offeror or the Concert Parties had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares, save for any borrowed Shares which have been either on-lent or sold.
- (g) As at the Latest Practicable Date, none of the Offeror, its directors or the Concert Parties had dealt for value in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.
- (h) As at the Latest Practicable Date, no person who had prior to the Despatch Date irrevocably committed themselves to accept or reject the Offers or with whom the Offeror or any of the Concert Parties had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had dealt for value in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

The table below sets out the shareholding structure of the Bank as at the Latest Practicable Date and immediately after the completion of the Offers (assuming that the Offers are fully accepted by the Shareholders):

Name of shareholders	As at the Latest Practicable Date			Immediately after completion of the Offers (assuming the Offers are fully accepted by the Shareholders)		
	Number of Shares	Approximate percentage of the same class of securities	Approximate percentage of the total issued share capital	Number of Shares	Approximate percentage of the same class of securities	Approximate percentage of the total issued share capital
Domestic Shares						
<i>Offeror and its Concert Parties</i>						
Offeror	930,000,000	8.89%	6.65%	3,447,143,611	32.94%	24.65%
Chengfang Huida	5,270,000,000	50.36%	37.69%	5,270,000,000	50.36%	37.69%
ICBC Investment	841,822,258	8.04%	6.02%	841,822,258	8.04%	6.02%
Cinda Investment	505,093,350	4.83%	3.61%	505,093,350	4.83%	3.61%
China Great Wall AMC	400,236,465	3.82%	2.86%	400,236,465	3.82%	2.86%
Sub-total for Offeror and its Concert Parties	7,947,152,073	75.95%	56.84%	10,464,295,684	100.00%	74.84%
Independent Domestic Shareholders	2,517,143,611	24.05%	18.00%	/	/	/
Sub-total for Domestic Shares	10,464,295,684	100.00%	74.84%	10,464,295,684	100.00%	74.84%
H Shares						
Offeror	/	/	/	3,517,320,000	100.00%	25.16%
Independent H Shareholders	3,517,320,000	100.00%	25.16%	/	/	/
Sub-total for H Shares	3,517,320,000	100.00%	25.16%	3,517,320,000	100.00%	25.16%
Total	13,981,615,684	100.00%	100.00%	13,981,615,684	100.00%	100.00%

The Bank

- (a) As at the Latest Practicable Date, none of the Directors held a long position in respect of the Share.
- (b) As at the Latest Practicable Date:
- (i) the Bank did not own any shares of the Offeror or any convertible securities, warrants, options, or derivatives in respect of the shares of the Offeror.

- (ii) none of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options, or derivatives in respect of the shares of the Offeror.
- (iii) none of the Directors was interested in any Shares, securities which carry voting rights in the Bank, or any convertible securities, warrants, options, or derivatives in respect of the Shares or in respect of other securities which carry voting rights in the Bank.
- (iv) no subsidiary of the Bank, or pension fund of the Bank or of any other member of the Group, or person who is presumed to be acting in concert with the Bank by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code, or person who is an associate of the Bank by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers), owned or controlled any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares.
- (v) save as disclosed below, no person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Bank or with any person who is presumed to be acting in concert with the Bank by virtue of classes (1), (2), (3), or (5) of the definition of “acting in concert” under the Takeovers Code, or who is an associate of the Bank by virtue of classes (2), (3), or (4) of the definition of “associate” under the Takeovers Code, owned or controlled any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares.

The table below sets out the shareholding of the associates of the Bank (being the directors of the Bank’s subsidiaries) as at the Latest Practicable Date:

Name of associate	Capacity	Number of issued Shares held (long positions)	Approximate
			percentage of the total issued share capital
Zhang Wentao (張文濤)	Beneficial owner	10,000	0.0001%
Wang Xingguo (王興國)	Beneficial owner	31,239	0.0002%
Zhang Zhi (張智)	Beneficial owner	55,734	0.0004%
Chen Jin (陳錦)	Beneficial owner	28,000	0.0002%
Cao Yayan (曹雅艷)	Beneficial owner	27,137	0.0002%
Zhao Yang (趙陽)	Beneficial owner	5,000	0.00004%
Zeng Yan (曾艷)	Beneficial owner	5,000	0.00004%
Zhang Chaoyang (張朝陽)	Beneficial owner	56,400	0.0004%
Sun Libin (孫立彬)	Beneficial owner	53,737	0.0004%

Name of associate	Capacity	Number of issued Shares held (long positions)	Approximate percentage of the total issued share capital
Lu Jun (盧軍)	Beneficial owner	25,770	0.0002%
Che Chao (車超)	Beneficial owner	5,000	0.00004%
Du Lihui (杜立輝)	Beneficial owner	25,770	0.0002%
Yang Hongzhi (楊洪志)	Beneficial owner	25,770	0.0002%
Zhang Jian (張儉)	Beneficial owner	37,756	0.0003%
Xu Zhe (許哲)	Beneficial owner	66,639	0.0005%
Li Xiaomei (李曉梅)	Beneficial owner	25,770	0.0002%
Zhang Xi (張惜)	Beneficial owner	5,000	0.00004%
Liu Dongmei (劉冬梅)	Beneficial owner	25,770	0.0002%
Xu Zhouying (徐州英)	Beneficial owner	40,514	0.0003%
Xue Xiaoqiang (薛曉強)	Beneficial owner	184,160	0.001%

- (vi) none of the non-exempt discretionary fund managers connected with the Bank owned, controlled, or managed any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares.
- (vii) neither the Bank nor any of the Directors had borrowed or lent any Shares or shares of the Offeror or any convertible securities, warrants, options, or derivatives in respect of the Shares or shares of the Offeror.
- (viii) during the Relevant Period, none of the Directors dealt for value in any Shares, securities which carry voting rights in the Bank, or convertible securities, warrants, options, or derivatives in respect of the Shares or in respect of other securities which carry voting rights in the Bank.
- (ix) during the Relevant Period, neither the Bank nor any of the Directors had dealt for value in any shares of the Offeror or any convertible securities, warrants, options, or derivatives in respect of the shares of the Offeror.
- (x) during the Relevant Period, no subsidiary of the Bank, or pension fund of the Bank or of any other member of the Group, or person who is presumed to be acting in concert with the Bank by virtue of class (5) of the definition of “acting in concert”, or person who is an associate of the Bank by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers), dealt for value in any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares.

- (xi) during the Relevant Period, no person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Bank or with any person who is presumed to be acting in concert with the Bank by virtue of classes (1), (2), (3), or (5) of the definition of “acting in concert” under the Takeovers Code, or person who is an associate of the Bank by virtue of classes (2), (3), or (4) of the definition of “associate” under the Takeovers Code, dealt for value in any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares.
- (xii) during the Relevant Period, none of the non-exempt discretionary fund managers connected with the Bank dealt for value in any Shares or any convertible securities, warrants, options, or derivatives in respect of the Shares.

5. OTHER ARRANGEMENTS AND CONFIRMATIONS RELATING TO THE OFFER

As at the Latest Practicable Date:

- (a) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Bank;
- (b) no benefit was or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offers;
- (c) there was no agreement or arrangement to which the Offeror was a party which related to the circumstances in which it may or may not invoke or seek to invoke a Condition;
- (d) there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any of the Concert Parties, on the one hand, and any Directors, recent directors of the Bank, Shareholders or recent Shareholders of the Bank, on the other hand, having any connection with or dependence upon the Offers;
- (e) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offeror or otherwise connected with the Offers;
- (f) there was no material contract entered into by the Offeror in which any of the Directors had a material personal interest; and
- (g) there was no agreement, arrangement or understanding that the Offer Shares acquired in pursuance to the Offers would be transferred, charged or pledged to any other persons.

6. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, save as disclosed below, none of the Directors had entered into any service contracts with the Bank or any of its subsidiaries or associated companies (i) which are fixed term contracts with more than 12 months to run irrespective of notice period; (ii) which (including both continuous and fixed term contracts) have been entered into or amended during the Relevant Period; or (iii) which are continuous contracts with a notice period of 12 months or more.

Name of the Director under contract	Position	Commencement date of the contract	Expiry date of the contract	Amount of fixed remuneration payable, excluding pension payments (RMB)	Amount of any variable remuneration payable under the contract (RMB)
Mr. WEI Xuekun	Executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/
Mr. GUO Wenfeng	Executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/
Mr. KANG Jun	Executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/
Mr. YANG Weihua	Executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/

Name of the Director under contract	Position	Commencement date of the contract	Expiry date of the contract	Amount of fixed remuneration payable, excluding pension payments (RMB)	Amount of any variable remuneration payable under the contract (RMB)
Mr. YU Jun	Executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/
Mr. ZHANG Guojian	Non-executive Director	28 April 2023	Initial term of 3 years; terminable by either party with not less than 3 months' written notice	/	/
Mr. ZHAO Chuanxin	Non-executive Director	14 November 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/
Ms. GU Jihong	Non-executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/
Mr. LYU Fei	Non-executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/
Mr. LUO Nan	Non-executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	/	/

Name of the Director under contract	Position	Commencement date of the contract	Expiry date of the contract	Amount of fixed remuneration payable, excluding arrangements for pension payments (RMB)	Amount of any variable remuneration payable under the contract (RMB)
Mr. WU Jun	Independent non-executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	150,000 (after tax)	/
Mr. XIE Taifeng	Independent non-executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	150,000 (after tax)	/
Mr. XIAO Geng	Independent non-executive Director	21 January 2020	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	150,000 (after tax)	/
Mr. WANG Xiaongyuan	Independent non-executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	150,000 (after tax)	/
Mr. SU Mingzheng	Independent non-executive Director	30 October 2019	No fixed term; Until the term of the sixth session of the Board expires; terminable by either party with not less than 3 months' written notice (<i>Note 1</i>)	150,000 (after tax)	/

Note:

1. According to the Bank's memorandum and articles of association, the term of each session of the Board is 3 years, as such, the term of the sixth session of the Board shall expire at the 2022 annual general meeting of the Bank for the election and/or appointment of Directors, which has been postponed as the Bank's 2022 audit work has not been finished (as explained in the Bank's announcement dated 31 August 2023).

7. MATERIAL LITIGATION

As at the Latest Practicable Date, except for the material outstanding litigations as disclosed below, (i) none of the members of the Group was engaged in any litigation, arbitration, or claim of material importance; and (ii) no litigation, arbitration, or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

To the best of the Directors' knowledge, the below litigations will not constitute material adverse impact on the Bank's operations.

Details of complaint	Status
Partnership contract dispute in April 2023 for which the claimant is claiming RMB371,202,213.7 from the Bank.	First trial commenced on 26 December 2023 and in process. It is not possible at this stage to determine the likelihood of the Bank losing at the trial.
Sale and purchase contract dispute in July 2023 for which the claimant is claiming RMB25,193,456 from the Bank.	First trial commenced on 22 November 2023 and in process. It is not possible at this stage to determine the likelihood of the Bank losing at the trial.
Contractual dispute in July 2023 for which the claimant is claiming from the court that the mortgage on the property valued at RMB18,540,000 provided by the borrower to the Group is invalid.	Under formal procedures and no judgement has yet been made. It is not possible at this stage to determine the likelihood of the Group losing at the trial.
Entrustment contract dispute in December 2023 for which the claimant is demanding the Bank to assume a debt of RMB204,313,498 and claiming RMB5,261,230.49 from the Bank.	In mediation before first trial. It is not possible at this stage to determine the likelihood of the Bank losing at the trial.

8. MATERIAL CONTRACTS

The Group did not enter into any material contract (not being contracts entered into in the ordinary course of business) during the period beginning on 26 January 2022 (i.e. two years before the commencement of the Offer Period) up to and including the Latest Practicable Date.

9. EXPERT AND CONSENT

The following are the qualifications of the experts who have been named in this Composite Document and/or given opinion or advice which are contained in this Composite Document:

Name	Qualification
CICC	the financial adviser to the Offeror in respect of the Offers, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Gram Capital	the Independent Financial Adviser, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of CICC and Gram Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, report, recommendation, opinion and/or references to its name and logo in the form and context in which they are included.

10. MISCELLANEOUS

- (a) The registered address of the Offeror is 1503, No. 75-1 Jinfeng Street, Shenfu Shifan District, Liaoning Province, the PRC.
- (b) The directors of the Offeror are Mr. Lu Jue, Mr. Zhang Yuanjun, Ms. Wang Lihua, Mr. Yao Haixin, Ms. Liu Yuanyuan, Mr. Lin Ping and Mr. Jiao Zhiwei.
- (c) CICC is making the H Share Offer for and on behalf of the Offeror. The registered address of CICC is 29/F One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (d) The sole shareholder of the Offeror is the Department of Finance of Liaoning Province, which holds 100% of the shares in the Offeror as at the Latest Practicable Date.
- (e) The registered office of the Bank is No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC.
- (f) The principal place of business of the Bank in Hong Kong is situated at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong.

- (g) The Board comprises Mr. Wei Xuekun, Mr. Guo Wenfeng, Mr. Kang Jun, Mr. Yang Weihua and Mr. Yu Jun as executive Directors, Mr. Zhang Guojian, Mr. Zhao Chuanxin, Ms. Gu Jihong, Mr. Lyu Fei and Mr. Luo Nan as non-executive Directors and Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, Mr. Wang Xiongyuan and Mr. Su Mingzheng as independent non-executive Directors.
- (h) The H Share Registrar of the Bank is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (i) The Domestic Share Registrar of the Bank is China Securities Depository and Clearing Corporation Limited.
- (j) The principal place of business of Gram Capital is Suite 1209, 12th Floor, Nan Fung Tower, 173 Des Voeux Road Central, Hong Kong.
- (k) In case of inconsistency, the English text of this Composite Document and the Forms of Acceptance shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Bank at <https://www.jinzhoubank.com/jzbank/investoren/index.html> and the website of the SFC at www.sfc.hk during the period from the date of this Composite Document until the end of the Offer Period:

- (a) the memorandum and articles of association of the Bank;
- (b) the memorandum of association and articles of association of the Offeror;
- (c) the annual reports of the Bank for the two financial years ended 31 December 2021 and 31 December 2020 respectively;
- (d) the interim report of the Bank for the six months ended 30 June 2022;
- (e) the letter from CICC dated 23 February 2024, the text of which is set out on pages 9 to 22 of this Composite Document;
- (f) the letter from the Board dated 23 February 2024 to the Shareholders, the text of which is set out on pages 23 to 28 of this Composite Document;
- (g) the letter from the Independent Board Committee dated 23 February 2024 to the Shareholders, the text of which is set out on pages 29 to 30 of this Composite Document;

- (h) the letter from Gram Capital dated 23 February 2024 to the Independent Board Committee, the text of which is set out on pages 31 to 61 of this Composite Document;
- (i) the service contracts referred to in paragraph 6 of this Appendix III;
- (j) the written consents referred to in paragraph 9 of this Appendix III; and
- (k) this Composite Document and the accompanying Forms of Acceptance.



锦州银行股份有限公司

Bank of Jinzhou Co., Ltd.*#

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

(Stock Code: 0416)

NOTICE OF 2024 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2024 first extraordinary general meeting (the “**Extraordinary General Meeting**”) of Bank of Jinzhou Co., Ltd.*# (the “**Bank**”), will be held at 10:30 a.m. on 15 March 2024 at Hall B, International Conference Hall, Exhibition Centre of Jinzhou, No. 70 Keji Road, Songshan New District, Jinzhou City, Liaoning Province, the PRC for the purpose of considering and, if thought fit, to pass the following resolutions by more than two-thirds of the votes attaching to the shares of the Bank held by the shareholders of the Bank that are cast either in person or by proxy at the Extraordinary General Meeting. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the composite document dated 23 February 2024 jointly issued by Liaoning Financial Holding Group Co., Ltd.* and the Bank (the “**Composite Document**”).

SPECIAL RESOLUTIONS

“THAT

- (A) subject to (i) the passing of this same resolution by the Independent H Shareholders at the H Share Class Meeting, as approved by way of poll by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy at the H Share Class Meeting and with the number of votes cast against the resolution by the Independent H Shareholders being not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, and (ii) minimum valid acceptances of the H Share Offer amounting to not less than 90% of the H Shares held by Independent H Shareholders, the voluntary withdrawal of the listing of the H Shares from the Stock Exchange, be and is hereby approved; and
- (B) the Chairman, the Vice Chairman and the Secretary to the Board of the Bank be and is hereby authorised to, jointly or individually, take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the voluntary withdrawal as referred to in paragraph (A) above.”

By order of the Board
Bank of Jinzhou Co., Ltd.*#
锦州银行股份有限公司
WEI Xuekun
Chairman

Liaoning, the PRC, 23 February 2024

As at the date of this notice, the Board comprises Mr. Wei Xuekun, Mr. Guo Wenfeng, Mr. Kang Jun, Mr. Yang Weihua and Mr. Yu Jun as executive Directors, Mr. Zhang Guojian, Mr. Zhao Chuanxin, Ms. Gu Jihong, Mr. Lyu Fei and Mr. Luo Nan as non-executive Directors and Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, Mr. Wang Xiongyuan and Mr. Su Mingzheng as independent non-executive Directors.

Notes:

1. Pursuant to the Listing Rules, all resolutions at the Extraordinary General Meeting will be taken by way of poll. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Bank (www.jinzhoubank.com) in accordance with the requirements of the Listing Rules.
2. The holders of H shares and Domestic Shares whose names appear on the registers of the members of the Bank on Tuesday, 12 March 2024 are entitled to attend and (if applicable) vote at the Extraordinary General Meeting. For the purpose of determining the Shareholders' eligibility to attend and vote at the Extraordinary General Meeting, the register of members of the Bank will be closed from Tuesday, 12 March 2024 to Friday, 15 March 2024, both days inclusive, during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be lodged for registration with the Bank's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Bank's registered office at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Monday, 11 March 2024.
3. Any Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy needs not be a Shareholder.
4. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointor or his/her attorney duly authorised in writing. If the appointor is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. In order to be valid, the instrument appointing the proxy shall be deposited at the Bank's H Share Registrar in Hong Kong (for holders of H Shares) or at the address of the Bank's registered office in the PRC (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the Extraordinary General Meeting (i.e. not later than 10:30 a.m. on Thursday, 14 March 2024) or any adjourned meeting (as the case may be). If the instrument appointing the proxy is signed by a person authorised by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Bank's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the address of the Bank's registered office in the PRC (as may be applicable). Completion and return of the proxy form will not preclude Shareholders of the Bank from attending and voting in person at the Extraordinary General Meeting or any of its adjourned meetings should they so wish. In the event that a Shareholder attends and votes at the Extraordinary General Meeting or any adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
5. Shareholders or their proxies are required to produce their identification documents when attending the Extraordinary General Meeting.
6. Miscellaneous
 - i. It is expected that the Extraordinary General Meeting will last for half a day.
 - ii. Details on the abovementioned resolutions to be considered and approved at the Extraordinary General Meeting are set out in the Composite Document in respect of the Extraordinary General Meeting dated 23 February 2024.

- iii. The address of Computershare Hong Kong Investor Services Limited is:

Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(for delivery of transfer documents)

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(for delivery of proxy forms)

Tel: (852) 2862 8555
Fax: (852) 2865 0990

- iv. The address of the registered office and principal place of business of the Company is:

No. 68 Keji Road
Jinzhou City
Liaoning Province
the PRC
Contact person: Wang Hao
Tel: 86-416-3220157
Fax: 86-416-3220003

7. References to dates and times in this notice are to Hong Kong dates and times.
8. In the case of any inconsistency between the Chinese translation and English text of this notice, the English text shall prevail.

* *For identification purpose only*

Bank of Jinzhou 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*



錦州銀行股份有限公司

Bank of Jinzhou Co., Ltd.*#*(A joint stock company incorporated in the People's Republic of China with limited liability)***(Stock Code: 0416)****NOTICE OF THE H SHARE CLASS MEETING**

NOTICE IS HEREBY GIVEN that that the class meeting of the holders of H shares (the “**H Share Class Meeting**”) of Bank of Jinzhou Co., Ltd.*# (the “**Bank**”) will be held at 11:00 a.m., or immediately after the conclusion of the 2024 first Extraordinary General Meeting or any adjournment thereof (whichever is the later) on 15 March 2024 at Hall B, International Conference Hall, Exhibition Centre of Jinzhou, No. 70 Keji Road, Songshan New District, Jinzhou City, Liaoning Province, the PRC for the purposes of considering and, if thought fit, with or without amendments, the following resolutions by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast by way of poll either in person or by proxy and with the number of votes cast by way of poll against the resolutions being not more than 10% of all the H Shares held by the Independent H Shareholders. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the composite document dated 23 February 2024 jointly issued by Liaoning Financial Holding Group Co., Ltd.* and the Bank (the “**Composite Document**”).

SPECIAL RESOLUTIONS**“THAT**

- (A) subject to (i) the passing of this same resolution by the Shareholders at the 2024 first Extraordinary General Meeting, as approved by way of poll by not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy, and (ii) minimum valid acceptances of the H Share Offer amounting to not less than 90% of the H Shares held by Independent H Shareholders, the voluntary withdrawal of the listing of the H Shares from the Stock Exchange, be and is hereby approved; and
- (B) the Chairman, the Vice Chairman and the Secretary to the Board of the Bank be and is hereby authorised to, jointly or individually, take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the voluntary withdrawal as referred to in paragraph (A) above.”

By order of the Board
Bank of Jinzhou Co., Ltd.*#
錦州銀行股份有限公司
WEI Xuekun
Chairman

Liaoning, the PRC, 23 February 2024

As at the date of this notice, the Board comprises Mr. Wei Xuekun, Mr. Guo Wenfeng, Mr. Kang Jun, Mr. Yang Weihua and Mr. Yu Jun as executive Directors, Mr. Zhang Guojian, Mr. Zhao Chuanxin, Ms. Gu Jihong, Mr. Lyu Fei and Mr. Luo Nan as non-executive Directors and Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, Mr. Wang Xiongyuan and Mr. Su Mingzheng as independent non-executive Directors.

Notes:

1. Pursuant to the Listing Rules, all resolutions at the H Share Class Meeting will be taken by way of poll. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Bank (www.jinzhoubank.com) in accordance with the requirements of the Listing Rules.
2. The holders of H shares whose names appear on the registers of the members of the Bank on Tuesday, 12 March 2024 are entitled to attend and (if applicable) vote at the H Share Class Meeting. For the purpose of determining the H Shareholders' eligibility to attend and vote at the H Share Class Meeting, the register of members of the Bank will be closed from Tuesday, 12 March 2024 to Friday, 15 March 2024, both days inclusive, during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be lodged for registration with the Bank's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 11 March 2024.
3. Any H Shareholder entitled to attend and vote at the H Share Class Meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy needs not be a H Shareholder.
4. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointor or his/her attorney duly authorised in writing. If the appointor is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. In order to be valid, the instrument appointing the proxy shall be deposited at the Bank's H Share Registrar in Hong Kong not less than 24 hours before the time appointed for holding the H Share Class Meeting (i.e. not later than 11:00 a.m. on Thursday, 14 March 2024) or any adjourned meeting (as the case may be). If the instrument appointing the proxy is signed by a person authorised by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Bank's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude H Shareholders of the Bank from attending and voting in person at the H Share Class Meeting or any of its adjourned meetings should they so wish. In the event that the H Shareholder attends and votes at the H Share Class Meeting or any adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
5. H Shareholders or their proxies are required to produce their identification documents when attending the H Share Class Meeting.
6. Miscellaneous
 - i. It is expected that the H Share Class Meeting will last for half a day.
 - ii. Details on the abovementioned resolutions to be considered and approved at the H Share Class Meeting are set out in the Composite Document in respect of the H Share Class Meeting dated 23 February 2024.
 - iii. The address of Computershare Hong Kong Investor Services Limited is:

Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(for delivery of transfer documents)

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
(for delivery of proxy forms)

Tel: (852) 2862 8555
Fax: (852) 2865 0990

7. References to dates and times in this notice are to Hong Kong dates and times.
8. In the case of any inconsistency between the Chinese translation and English text of this notice, the English text shall prevail.

* *For identification purpose only*

Bank of Jinzhou 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*