
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Zhongyuan Bank Co., Ltd.***, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

**REPLENISHMENT OF OTHER TIER-ONE CAPITAL THROUGH
A CONVERTIBLE NEGOTIATED DEPOSIT AND ISSUANCE OF
H SHARES UNDER SPECIFIC MANDATE**

FINANCIAL BUDGET REPORT FOR 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE OF H SHARE CLASS MEETING

NOTICE OF DOMESTIC SHARE CLASS MEETING

Capitalized terms used in this cover page shall have the same meanings as those defined in this circular. The Letter from the Board is set out on pages 5 to 23 of this circular.

The Bank will convene the EGM at 2:30 p.m. on October 26, 2022 (Wednesday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC, the H Share Class Meeting will be held at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC on the same day at 3:00 p.m. (or immediately after the conclusion or adjournment of the EGM), and the Domestic Share Class Meeting will be held at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC on the same day 3:30 p.m. (or immediately after the conclusion or adjournment of the H Share Class Meeting).

Whether or not you are able to attend the EGM, the H Share Class Meeting or the Domestic Share Class Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon, and return the form of proxy to the H Share Registrar (for the H Shareholders) or to the office of the Board (for the Domestic Shareholders) as soon as possible and in any event not less than 24 hours before the scheduled time for the holding of the EGM, the H Share Class Meeting or the Domestic Share Class Meeting or any adjournment thereof. Completion and return of the forms of proxy will not preclude you from attending in person or voting at the EGM, the H Share Class Meeting or the Domestic Share Class Meeting or any adjournment thereof should you so wish.

* *Zhongyuan Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), is not subject to the supervision of the Hong Kong Monetary Authority, and is not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

October 5, 2022

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DEFINITIONS

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

“Agreement”	the agreement on the convertible negotiated deposit in the amount of RMB8.0 billion to be entered into by the Bank and the Finance Department of Henan Province
“Qualified Target Subscribers”	the Finance Department of Henan Province or the qualified state-owned enterprises under Henan SASAC
“Articles of Association”	the articles of association of the Bank, as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meanings as ascribed thereto under the Listing Rules
“Bank”	Zhongyuan Bank Co., Ltd.* (中原銀行股份有限公司*), a joint stock company incorporated on December 23, 2014 in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange, and, if the context requires, includes its predecessors, branches, sub-branches and subsidiaries
“Board”	the board of Directors of the Bank
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), and, if the context requires, includes its predecessor, China Banking Regulatory Commission (中國銀行業監督管理委員會)
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of circular only, Hong Kong, Macau Special Administrative Region and Taiwan
“Class Meetings”	the Domestic Share Class Meeting and the H Share Class Meeting
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	the ordinary share(s) issued by the Bank in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB

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“Domestic Share Class Meeting”	the Domestic Share class extraordinary meeting of the Bank to be convened for the Domestic Shareholders to consider, and if thought fit, to approve, among other things, the proposed issuance of convertible negotiated deposit and its specific mandate
“Domestic Shareholder(s)”	the holder(s) of Domestic Share(s)
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Bank to be convened for the Shareholders to consider, and if thought fit, to approve, among other things, the proposed issuance of convertible negotiated deposit and its specific mandate and the Financial Budget Report for 2022
“Group”	the Bank and its subsidiaries
“H Share(s)”	the overseas-listed ordinary share(s) in the share capital of the Bank, which are listed on the Main Board of the Stock Exchange (stock code: 1216) and traded in Hong Kong dollars, and has a nominal value of RMB1.00 each
“H Share Class Meeting”	the H Share class extraordinary meeting of the Bank to be convened for the H Shareholders to consider, and if thought fit, to approve, among other things, the proposed issuance of convertible negotiated deposit and its specific mandate
“H Shareholder(s)”	the holder(s) of the H Share(s)
“Henan SASAC”	the State-owned Assets Supervision and Administration Commission of Henan Provincial People’s Government
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	a person who, as far as the Directors are aware after having made all reasonable enquiries, is not connected with the Bank (within the meaning of the Listing Rules)

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“Initial Conversion Price”	subject to the adjustment mechanism pursuant to the Agreement, the initial conversion price upon the conversion of convertible negotiated deposit, which shall be determined on the basis of the higher value of (i) the average trading price of the H Shares for the 20 trading days preceding the date of the resolution of the Board approving the convertible negotiated deposit (i.e. September 29, 2022), which will be converted into the price in RMB with the central parity of the RMB against the Hong Kong dollars announced by the State Administration of Foreign Exchange on the date of the resolution of the Board, and (ii) the net assets per Share attributable to the owners of the parent company based on the consolidated statement after asset and capital verification at the time of conversion of the convertible negotiated deposit, and in any event shall not be less than RMB1.00 per Share
“Latest Practicable Date”	September 29, 2022 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minimum Public Float”	the minimum public float at 18.90% of the total issued share capital of the Bank, which shall be maintained by the Bank from time to time under the waiver granted by the Stock Exchange from strict compliance with the requirements under Rule 8.08(1) of the Listing Rules at the time of the listing of the Bank’s H Shares
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of the Bank
“Shareholder(s)”	the shareholder(s) of the Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD

中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

Executive Directors:

Mr. Xu Nuojin (*Chairman*)

Mr. Wang Jiong

Mr. Li Yulin

Non-executive Directors:

Ms. Zhang Qiuyun

Mr. Mi Hongjun

Independent non-executive Directors:

Ms. Pang Hong

Mr. Li Hongchang

Mr. Jia Tingyu

Mr. Chan Ngai Sang Kenny

Registered office in the PRC:

Zhongke Golden Tower

No. 23 Shangwu Waihuan Road

Zhengdong New District CBD

Zhengzhou

Henan Province, the PRC

Principal place of business in Hong Kong:

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

October 5, 2022

To the Shareholders,

Dear Sir or Madam,

**REPLENISHMENT OF OTHER TIER-ONE CAPITAL THROUGH
A CONVERTIBLE NEGOTIATED DEPOSIT AND ISSUANCE OF
H SHARES UNDER SPECIFIC MANDATE**

FINANCIAL BUDGET REPORT FOR 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE OF H SHARE CLASS MEETING

NOTICE OF DOMESTIC SHARE CLASS MEETING

I. INTRODUCTION

Reference is made to the announcement of the Bank dated September 29, 2022 in relation to the replenishment of other tier-one capital through a convertible negotiated deposit and issuance of the H Shares resulting from the conversion thereof under specific mandate.

The purpose of this circular is to provide you with, among others, relevant information in relation to (i) the replenishment of other tier-one capital through a convertible negotiated deposit of the Bank, and (ii) the Financial Budget Report for 2022 to enable you to make an informed decision on whether to vote for or against the proposed resolution(s) at the EGM and the Class Meetings.

LETTER FROM THE BOARD

II. REPLENISHMENT OF OTHER TIER-ONE CAPITAL THROUGH A CONVERTIBLE NEGOTIATED DEPOSIT

In order to actively implement the government's special bond policy of RMB8.0 billion, enhance the Bank's capital strength and risk resistance level, the Bank intends to carry out the convertible negotiated deposit business to replenish its other tier-one capital. The relevant proposal is hereby formulated with the details as follows:

(1) Background

At the executive meeting of the State Council presided by Premier Li Keqiang (李克強) on July 1, 2020, a quota for new local government's special bonds in 2020 was determined to be arranged for local governments to explore new reasonable ways to properly replenish the capital of small and medium-sized banks by subscribing convertible bonds in accordance with the laws and regulations, to enhance their ability to serve small and micro businesses, and also to support and guarantee employment.

As at June 30, 2022, the core tier-one capital adequacy of the Bank was approximately 7.97%, which is close to the minimum regulatory requirement of 7.50%. Therefore, the Bank has applied to the Finance Department of Henan Province (河南省財政廳) for special bonds in the amount of RMB8.0 billion under the guidance from the relevant department of the CBIRC. According to the unified deployment of the Finance Department of Henan Province, the Bank intends to carry out a convertible negotiated deposit business of not more than RMB8.0 billion to coordinate with local government's special bond funds, so as to replenish its other tier-one capital in full.

(2) Meaning and Necessity of Convertible Negotiated Deposit

(1) *Meaning of Convertible Negotiated Deposit*

Convertible negotiated deposit is an innovative capital tool to replenish the capital of small and medium-sized banks. It is to inject local government's bond funds that can be used to replenish the capital of small and medium-sized banks into target banks in the form of deposits to replenish the target banks' capital. At the same time, the subscriber of the convertible negotiated deposit enters into an agreement with the target bank to convert the deposits into ordinary shares of the target bank upon meeting the conditions for the conversion, or the target bank may repay the principal and interest accrued thereof upon the maturity of the convertible negotiated deposit or when it becomes redeemable.

(2) *Necessity of Convertible Negotiated Deposit*

With the deepening of interest rate liberalization, banks are faced with the challenges of intensifying competition, decreasing interest margin, declining profitability, and increasing difficulties in risk management with respect to interest rate and liquidity. In light of the above, being compared to those of state-owned banks and large-sized

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joint-stock banks, city commercial banks are in a relatively disadvantageous position in the scale of self-owned funds, attractiveness and bargaining power in respect of clients' deposits. Since the COVID-19 epidemic in 2020, in particular, the external environment faced by small and medium-sized banks has become increasingly complicated. Therefore, it is an effective way to further improve the financial service capacity of the Bank by issuing the convertible negotiated deposit with special bond funds, replenishing other tier-one capital of the Bank and stabilizing long-term and core liabilities.

(3) Basic elements for convertible negotiated deposit

Subject of deposit: the Finance Department of Henan Province or its designated authorities, which are proposed to be wholly-owned subsidiaries or entities of the Finance Department of Henan Province. To effectively manage investment operation and segregate investment risk, it is the common practice for local governments to designate their wholly-owned subsidiaries or entities as investment holding entities.

Targets of issuance: the Finance Department of Henan Province or the qualified state-owned enterprises under Henan SASAC

Quota: not more than RMB8.0 billion

Interest rate: before the conversion, the interest rate of the convertible negotiated deposit shall match with the corresponding local government's special bond issuance interest rate. According to the recent bond issuance interest rate by the local government of Henan Province, the interest rate of the special bond is expected to range from 2.5% to 4.5%. If the interest rate of the special bonds exceeds such range thereafter, the Bank will separately submit the same to the Shareholders' general meeting for approval.

Repayment of principal and interest: from the sixth year, the principal of the convertible negotiated deposit is repayable by equal annual installments based on the total par value of the convertible negotiated deposit, i.e. 20% of the principal is repaid annually, amounting to RMB1.6 billion. The interest is paid semi-annually on the convertible negotiated deposit, and the interest rate shall match with the interest rate of the corresponding local government's special bonds.

Purpose: to replenish other tier-one capital of the Bank, namely, other tier-one capital instruments and its premium as well as applicable portions of minority Shareholders' capital pursuant to the Administrative Measures for the Capital of Commercial Banks (for Trial) (《商業銀行資本管理辦法(試行)》) issued by the CBIRC.

Core conversion terms: when the core tier-one capital adequacy ratio of the Bank is lower than 5.125%, and other conditions as set out in the Agreement are fully satisfied, the convertible negotiated deposits will be converted into ordinary Shares periodically and counted towards the core tier-one capital of the Bank.

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Specifically, in accordance with the Agreement, the conversion of the convertible negotiated deposit into ordinary Shares of the Bank shall satisfy the following conditions at the same time:

- (1) the core tier-one capital adequacy ratio of the Bank is lower than 5.125%;
- (2) the Finance Department of Henan Province consents to the conversion; and
- (3) the class and number of the converted ordinary Shares and the shareholding structure of the Bank after the conversion shall satisfy the specific requirements of the Stock Exchange for the Minimum Public Float, otherwise all or part of the Shares shall be held by the independent third parties of the Bank or the conversion shall be terminated. In view of the fact that the Bank has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.08(1) of the Listing Rules at the time of the listing of the Bank's H Shares, pursuant to which the minimum public float shall be the higher of (i) 16.82%; and (ii) such percentage of H Shares to be held by the public after the exercise of the over-allotment option of the enlarged issued share capital of the Bank pursuant to the global offering, on the condition that the Bank's market capitalization was equal to at least HK\$10 billion at the time of the listing of the H Shares of the Bank in July 2017. Immediately following the completion of the global offering and the exercise of the over-allotment option, the number of H Shares held by the public became approximately 18.90% of the then total issued share capital of the Bank. Therefore, the Bank shall from time to time maintain the minimum public float at 18.90% of the total issued share capital of the Bank pursuant to the waiver above (i.e. the Minimum Public Float). As of the Latest Practicable Date, the number of H Shares of the Bank held by the public accounts for approximately 19.00% of the total issued share capital of the Bank. In this case, in order to be in compliance with the requirements of the Listing Rules regarding the Minimum Public Float, the ordinary Shares of the Bank converted in accordance with the term of convertible negotiated deposit and the Agreement can only be H Shares of the Bank that are issued overseas and listed on the Stock Exchange, with a par value of RMB1.0 per Share.

Notwithstanding the above, in compliance with the Minimum Public Float by the Bank at all times, in the event that any conversion (whether partially or fully) of the convertible negotiated deposit would cause the Bank's failure of satisfying the requirements of the Listing Rules regarding the Minimum Public Float, no such conversion of the convertible negotiated deposit shall take place.

Conversion price: the Initial Conversion Price is determined on the basis of the higher value of (i) the average trading price of the H Shares of the Bank for the 20 trading days preceding the date of the Board resolution approving the convertible negotiated deposit (i.e. September 29, 2022), which will be converted into the price of RMB with the central parity of the RMB against the Hong Kong dollars announced by the State Administration of Foreign Exchange on the date of the resolution of the Board, and (ii) the net assets per Share attributable to the owners of the parent company based on the consolidated statement after asset and capital verification at the time of conversion of the convertible negotiated deposit. As at June 30, 2022, the net assets per Share attributable to equity shareholders of the Bank was RMB2.04. The Initial Conversion Price is subject to the adjustment as set out below.

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The basis for determining the Initial Conversion Price of the convertible negotiated deposit is based on the Measures for the Administration on Securities Issuance of Listed Companies of the China Securities Regulatory Commission and other relevant laws and regulations, as well as the conversion clauses of domestic and overseas preference shares issued by domestic banks (for replenishing other tier-one capital) with reference to the average trading price in the 20 trading days prior to the pricing base date.

Further, in accordance with the relevant requirements under the PRC Company Law, the conversion price of the converted H Shares under the convertible negotiated deposit shall not be less than the nominal value of the Shares, being RMB1.00 per Share. Accordingly, the minimum conversion price under the convertible negotiated deposit is RMB1.00 per Share (the “**Minimum Conversion Price**”).

For illustration purpose, the Minimum Conversion Price of the convertible negotiated deposit is RMB1.00 (equivalent to approximately HK\$1.10):

- (1) it represents a premium of approximately 57.14% to the average trading price of the H Shares on the date of the resolution of the Board (i.e. September 29, 2022);
- (2) it represents a premium of approximately 57.14% to the average trading price of the H Shares in the 5 trading days prior to the date of the resolution of the Board;
- (3) it represents a premium of approximately 54.49% to the average trading price of the H Shares in the 10 trading days prior to the date of the resolution of the Board;
- (4) it represents a premium of approximately 45.76% to the average trading price of the H Shares in the 30 trading days prior to the date of the resolution of the Board; and
- (5) it represents a premium of approximately 45.79% to the average trading price of the H Shares in the 60 trading days prior to the date of the resolution of the Board.

The Board believes that the above conversion price is in line with PRC Company Law and is fair and reasonable.

Therefore, under the above conditions, as calculated by the Minimum Conversion Price price of RMB1.00 per Share, the conversion for the convertible negotiated deposit may fall under one of the following scenarios:

- i. If the conversion conditions are triggered within 6 years (inclusive) after the issuance date of the convertible negotiated deposit, the amount of conversion of the convertible negotiated deposit involved will be RMB8.0 billion*

Assuming that (i) the deposit amount will be converted in full, the converted H Shares to be held by the Qualified Target Subscribers will be 8,000,000,000 H Shares, and (ii) there is no change of the shareholding structure of the Bank from the Latest Practicable Date and up to the conversion of the convertible negotiated deposit, the shareholding structures of the Bank as of the Latest Practicable Date and immediately after the conversion of the convertible negotiated deposit are set out as follows. Since the

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implement of conversion of the convertible negotiated deposit is subject to fulfilment of conditions (including but not limited to the requirement of the Minimum Public Float), the following table of shareholding structure is for illustration purpose only.

Name of Shareholders	Class of Shares	As of the Latest Practicable Date			Immediately after the implementation of the conversion		
		Number of Shares	Approximate percentage of issued shares of the relevant class of the Bank ⁽¹⁾⁽²⁾	Approximate percentage of total issued shares of the Bank ⁽¹⁾⁽²⁾	Number of Shares	Approximate percentage of issued shares of the relevant class of the Bank ⁽¹⁾⁽²⁾	Approximate percentage of total issued shares of the Bank ⁽¹⁾⁽²⁾
Henan Investment Group Co., Ltd. [#] (河南投資集團有限公司) ("Henan Investment Group") ⁽³⁾	Domestic Shares	2,919,676,294	9.86%	7.99%	2,919,676,294	9.86%	6.55%
Other Domestic Shareholders	Domestic Shares	26,685,147,028	90.14%	73.01%	26,685,147,028	90.14%	59.90%
Sub-total		29,604,823,322	100.00%	81.00%	29,604,823,322	100.00%	66.45%
Qualified Target Subscribers	H Shares	Nil	-	-	8,000,000,000	53.53%	17.96%
Other H Shareholders ⁽⁴⁾	H Shares	6,945,000,000	100.00%	19.00%	6,945,000,000	46.47%	15.59%
Total		36,549,823,322	100.00%	100.00%	44,549,823,322	100.00%	100.00%

Notes:

- (1) Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, and any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.
- (2) Immediately before the implementation of the conversion, the number of total issued Shares of the Bank was 36,549,823,322, comprising 29,604,823,322 Domestic Shares and 6,945,000,000 H Shares. For the avoidance of doubt, the 69,750,000 issued Preference Shares of the Bank have not been taken into account for the purpose of illustrating the change in the shareholding structure of the Bank as a result of the implementation of the conversion.
- (3) Henan Investment Group is wholly owned by the Finance Department of Henan Province (河南省財政廳). As of the Latest Practicable Date, Henan Investment Group directly holds 2,264,396,518 Domestic Shares of the Bank and indirectly holds 17,696,926 Domestic Shares and 637,582,850 Domestic Shares through its controlled corporations, i.e. Henan Investment Group Guarantee Co., Ltd. (河南投資集團擔保有限公司) and Zhongyuan Trust Co., Ltd.# (中原信託有限公司), respectively. Therefore, Henan Investment Group is deemed to be interested in a total of 2,919,676,294 Domestic Shares under Part XV of the SFO.
- (4) Since only the H Shares held by other H Shareholders (representing approximately 15.59% of the total issued shares of the Bank) are counted towards the public float of the Bank, which falls below the Minimum Public Float, the conversion of the convertible negotiated deposit shall not proceed and the table of shareholding structure is for illustration purpose only.

For identification purpose only

If the public float after the implementation of the conversion cannot meet the requirement of the Minimum Public Float, the conversion will not be implemented. In such case, the Bank will consider various means, including but not limited to, issuing new H Shares, to comply with requirement of the Minimum Public Float (where applicable).

LETTER FROM THE BOARD

- ii. If the conversion conditions are triggered within 6-7 years (inclusive) after the issuance date of the convertible negotiated deposit, the amount of conversion of the convertible negotiated deposits involved will be RMB6.4 billion*

Assuming that (i) the deposit amount will be converted in full, the converted H Shares to be held by the Qualified Target Subscribers will be 6,400,000,000 H Shares, and (ii) there is no change of the shareholding structure of the Bank from the Latest Practicable Date and up to the conversion of the convertible negotiated deposit, the total share capital of the Bank is 42,949,823,322 Shares, including 29,604,823,322 Domestic Shares and 13,345,000,000 H Shares. If the public float after the implementation of the conversion cannot meet the requirement of the Minimum Public Float, the conversion will not be implemented. In such case, the Bank will consider various means, including but not limited to, issuing new H Shares, to comply with the requirement of the Minimum Public Float (where applicable).

- iii. If the conversion conditions are triggered within 7-8 years (inclusive) after the issuance date of the convertible negotiated deposit, the amount of conversion of the convertible negotiated deposits involved will be RMB4.8 billion*

Assuming that (i) the deposit amount will be converted in full, the converted H Shares to be held by the Qualified Target Subscribers will be 4,800,000,000 H Shares, and (ii) there is no change of the shareholding structure of the Bank from the Latest Practicable Date and up to the conversion of the convertible negotiated deposit, the total share capital of the Bank is 41,349,823,322 Shares, including 29,604,823,322 Domestic Shares and 11,745,000,000 H Shares. If the public float after the implementation of the conversion cannot meet the requirement of the Minimum Public Float, the conversion will not be implemented. In such case, the Bank will consider various means, including but not limited to, issuing new H Shares, to comply with the requirement of the Minimum Public Float (where applicable).

- iv. If the conversion conditions are triggered within 8-9 years (inclusive) after the issuance date of the convertible negotiated deposit, the amount of conversion of the convertible negotiated deposits involved will be RMB3.2 billion*

Assuming that (i) the deposit amount will be converted in full, the converted H Shares to be held by the Qualified Target Subscribers will be 3,200,000,000 H Shares, and (ii) there is no change of the shareholding structure of the Bank from the Latest Practicable Date and up to the conversion of the convertible negotiated deposit, the total share capital of the Bank is 39,749,823,322 Shares, including 29,604,823,322 Domestic Shares and 10,145,000,000 H Shares. If the public float after the implementation of the conversion cannot meet the requirement of the Minimum Public Float requirement, the conversion will not be implemented. In such case, the Bank will consider various means, including but not limited to, issuing new H Shares, to comply with the requirement of the Minimum Public Float (where applicable).

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- v. *If the conversion conditions are triggered within 9-10 years (inclusive) after the issuance date of the convertible negotiated deposit, the amount of conversion of the convertible negotiated deposits involved will be RMB1.6 billion*

Assuming that (i) the deposit amount will be converted in full, the converted H Shares to be held by the Qualified Target Subscribers will be 1,600,000,000 H Shares, and (ii) there is no change of the shareholding structure of the Bank from the Latest Practicable Date and up to the conversion of the convertible negotiated deposit, the total share capital of the Bank is 38,149,823,322 Shares, including 29,604,823,322 Domestic Shares and 8,545,000,000 H Shares. If the public float after the implementation of the conversion cannot meet the requirement of the Minimum Public Float, the conversion will not be implemented. In such case, the Bank will consider various means, including but not limited to, issuing new H Shares, to comply with the requirement of the Minimum Public Float (where applicable).

In summary, the convertible negotiated deposit can be converted to a maximum of 8,000,000,000 H Shares of the Bank (taking up approximately 17.96% of the enlarged total ordinary share capital of the Bank), with a par value of RMB1.0 per Share, provided that the conditions for conversion are fully satisfied. Based on that and the conversion price of RMB1.00 per Share, the conversion will not result in a theoretical dilution effect. The Bank will ensure it complies with the theoretical dilution effect requirement in accordance with Rule 7.27B of the Listing Rules at the time of entering into the Agreement and upon completion of the convertible negotiated deposit.

Upon the Shareholders' approvals at the EGM and the Class Meetings, the implementation of the convertible negotiated deposit business does not need to be submitted to the CSRC or the CBIRC for approval.

(4) Authorization

The aforesaid proposal will be put forward to the EGM and the Class Meetings for consideration and approval. The Bank and the Finance Department of Henan Province will enter into the Agreement after obtaining the Shareholders' approvals at the EGM and the Class Meetings. Upon the Shareholders' approvals at the EGM and the Class Meetings, the Board will authorize the senior management to carry out relevant work in a timely manner in accordance with the aforesaid proposal of convertible negotiated deposit and the requirements of the Finance Department of Henan Province and related regulatory authorities, such as making amendments to the plan and relevant agreements according to the requirements of regulatory authorities in the place where the Shares are listed. At the same time, the Board authorizes the senior management to handle the specific matters related to the issuance of the aforesaid convertible negotiated deposit, including but not limited to:

LETTER FROM THE BOARD

- (i) determining, adjusting and supplementing proposal and specific terms of convertible negotiated deposit, including but not limited to deposit size, deposit time, interest rate of deposit, deposit term, arrangement for repayment of principal and interest of deposit and other relevant matters;
- (ii) handling the relative specific matters in relation to replenishment of capital with convertible negotiated deposit, including but not limited to submitting issuance application materials to finance department and regulatory authority, amending and entering into all relative legal documents in relation to convertible negotiated deposit, and completing relative procedures such as application, reporting, registration and filing;
- (iii) engaging professional parties including financial advisor, accounting firm and law firm to handle relative matters in relation to the issuance and application, and preparing, amending and submitting the application materials in relation to the issuance as requested by regulatory authority;
- (iv) amending the provisions of the Articles of Association after the issuance and conversion of convertible negotiated deposit where appropriate, and handling relative matters such as filing with administration of industry and commerce and CBIRC, registration of changes in registered capital and registration with securities registration and settlement authority;
- (v) adjusting specific issuance proposal according to provision or requirements on new policies by regulatory authority or market conditions (excluding those to be voted at general meeting in accordance with laws and regulation and the Articles of Association), if there is any change in the policy on convertible negotiated deposit by regulatory authority prior to the issuance or new requirements are imposed by regulatory authority or changes in market conditions;
- (vi) determining to delay the implementation or early termination of the issuance at its discretion in the event of occurrence of force majeure or under other circumstances that may make it difficult to implement the issuance proposal, or may have adverse consequences to the Bank after implementation, or there is any change in the policy on convertible negotiated deposit;
- (vii) handling all relative matters in relation to the redemption, conversion, resale of convertible negotiated deposit, payment of principal and interests, and other matters in relation to convertible negotiated deposit at its sole discretion in accordance with laws and regulations, approval from regulatory authority and provisions of the Articles of Association during the terms of convertible negotiated deposit, subject to the framework and principal considered and approved at general meeting; and
- (viii) handling other matters in relation to the issuance as permitted by laws and regulations.

Regarding the specific arrangements for this matter, the Bank will comply with the applicable rules and regulations of the place where the Shares are listed, including but not limited to the Listing Rules. Amongst the above authorizations, except authorizations (iv) and

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(vii), the valid period of which is from the date of approvals at EGM and the Class Meetings to the date of completion of relative matters, the valid period for the remaining authorizations shall be within 12 months from the date of approvals at the EGM and the Class Meetings.

(5) The agreement on replenishing the “convertible negotiated deposit” of small and medium-sized banks’ capital with special bonds

i. Main contents

The Finance Department of Henan Province intends to supplement other tier-one capital of the Bank by means of the convertible negotiated deposit, as detailed below:

- (1) after the Finance Department of Henan Province or its designated authorities collecting the proceeds from issuance of the government’s special bonds, the Finance Department of Henan Province or its designated authorities will open a special account in the Bank for the convertible negotiated deposit for the purpose of receiving such funds;
- (2) with the consent of the Finance Department of Henan Province, when the core tier-one capital adequacy ratio of the Bank is lower than 5.125%, and upon the satisfaction of specific requirements on the Minimum Public Float prescribed by the Stock Exchange, the Finance Department of Henan Province or its designated authorities shall convert the convertible negotiated deposit into ordinary Shares of the Bank in accordance with laws and regulations as well as the Agreement, further details of which are set out in the section of “Conversion Conditions” below;
- (3) if the conversion conditions are not fully satisfied, the Bank shall repay the principal and interest upon the maturity of the convertible negotiated deposit in accordance with the Agreement; and
- (4) during the term of the convertible negotiated deposit, the Bank shall report the changes in its core tier-one capital adequacy ratio of the previous quarter to the Finance Department of Henan Province or its designated authorities by the 20th day of the first month of each quarter. When the core tier-one capital adequacy ratio of the Bank drops to 7.5%, pre-warning is triggered and the Bank shall promptly inform the Finance Department of Henan Province or its designated authorities of the situation, formulate emergency plans, and actively take appropriate measures to improve the ability of the Bank to resist risks and avoid the occurrence of triggering events.

The term of the Agreement starts from the convertible negotiated deposit having been fully deposited into the Bank to the earlier of (i) the date of completion of the conversion of convertible negotiated deposit, or (ii) the expiry date of 10 years from the issuance date of the special bond.

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ii. Agreement on the convertible negotiated deposit

The convertible negotiated deposit amounts to RMB8.0 billion (the actual amount shall be subject to the amount of the local government's special bond issued to supplement the capital of the Bank under the approval of the Henan provincial government).

The interest rate of the convertible negotiated deposit under the Agreement shall be fixed, and the annual interest rate (after considering tax factors) is subject to the actual issuing rate of the corresponding local government's special bonds. Interest shall be paid on the convertible negotiated deposit under the Agreement every six months, and the interest payment day of the convertible negotiated deposit shall be at least 10 working days ahead of the interest payment day of the local government's special bonds. The interest shall be paid to the local treasury of the Finance Department of Henan Province or its designated authorities by wire transfer. The transfer voucher of the Bank shall be the valid voucher of the interest payment.

The commencement date in calculation of interest of the convertible negotiated deposit shall be the date of the convertible negotiated deposit having been fully deposited into the Bank, and the date of cessation in calculation of interest of the convertible negotiated deposit shall be the completion date of the conversion of the convertible negotiated deposit or the expiry date of the term of convertible negotiated deposit.

From the sixth year, the principal of the convertible negotiated deposit is repayable by equal annual installments based on the total par value of the convertible negotiated deposit, i.e. 20% of the principal is repaid annually, amounting to RMB1.6 billion.

iii. Conversion conditions

The parties agree that the conversion of the convertible negotiated deposit into the ordinary Shares of the Bank shall be subject to the satisfaction of each of the following conditions:

- (1) the core tier-one capital adequacy ratio of the Bank is lower than 5.125%;
- (2) the Finance Department of Henan Province consents to the conversion; and
- (3) the class and number of the converted ordinary Shares and the shareholding structure of the Bank after the conversion of the convertible negotiated deposit shall satisfy the relevant requirements of laws and regulations, including but not limited to the particular requirement of the Minimum Public Float, otherwise the converted ordinary Shares shall be fully or partially held by independent third parties of the Bank or the conversion shall be terminated.

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If the above conditions are fully satisfied, all or part of the convertible negotiated deposit placed in the Bank by the Finance Department of Henan Province or its designated authorities will be converted into the ordinary Shares of the Bank and will be held by the Qualified Target Subscribers. The Qualified Target Subscribers will pay the corresponding consideration to the Finance Department of Henan Province or its designated authorities in respect of such Shares. The shareholding ratio of which will be determined based on the conversion price standards set out in the Agreement. For the avoidance of doubt, when the core tier-one capital adequacy ratio of the Bank is lower than 5.125% while the above conditions (2) and (3) are not satisfied, the Finance Department of Henan Province or its designated authorities shall not convert the Shares in a mandatory manner.

iv. Conversion price

The Initial Conversion Price is determined on the basis of the higher value of (i) average trading price of H Shares of the Bank for the 20 trading days preceding the date of the resolution of the Board approving the convertible negotiated deposit (i.e. September 29, 2022), which will be converted into the price in RMB with the central parity of the RMB against HK\$ announced by the State Administration of Foreign Exchange on the date of the resolution of the Board, and (ii) the net assets per Share attributable to the owners of the parent company based on the consolidated statement after asset and capital verification at the time of conversion of the convertible negotiated deposit.

Further, in accordance with the relevant requirements under the PRC Company Law, the conversion price of the converted H Shares under the convertible negotiated deposit shall not be less than the nominal value of the Shares, being RMB1.00 per Share. Therefore, the Minimum Conversion Price under the convertible negotiated deposit is RMB1.00 per Share.

In case that the Initial Conversion Price is determined on the basis of the average trading price of H Shares of the Bank for the 20 trading days preceding the date of the resolution of the Board approving the convertible negotiated deposit (i.e. September 29, 2022), after the date of the resolution of the Board to carry on the convertible negotiated deposit business (before the date of the trigger event of the conversion), if the Bank issues bonus dividends of ordinary Shares, converts capital reserves to share capital and issues new Shares at a price lower than the audited net assets per Share in the year end prior to the issuance (excluding any additional share capital from the conversion of financial instruments issued by the Bank with a provision for conversion into Ordinary Shares) and makes rights issue (whether at a price lower than the audited net assets per Share in the year end prior to the issuance or not), the Bank will adjust the Initial Conversion Price on a cumulative basis in accordance with the sequence of occurrences of the foregoing events, provided that the distribution of cash dividend of ordinary Shares by the Bank will not result in the adjustment of the Initial Conversion Price. The specific adjustment rules have been set as follows:

Bonus issue or conversion from capital reserves to share capital

$$P1=P0 \times N / (N+n);$$

LETTER FROM THE BOARD

Issuance of new Shares at a price lower than net assets per Share or rights issue

$$P1 = P0 \times [(N \times M) + (n \times A)] / [(N \times M) + (n \times M)]$$

In the aforesaid rules, “P0” denotes the effective conversion price before adjustment; “N” denotes the aggregate ordinary Shares of the Bank before the issuance of bonus dividends of ordinary Shares, conversion of capital reserves to share capital, issuance of new Shares or right issue; “n” denotes the number of new Shares created due to the issuance of bonus dividends of ordinary Shares, conversion of capital reserves to share capital, issuance of new Shares or right issue; “A” denotes the price of new Share issue or rights issue; “M” denotes audited net assets per Share in the year end prior to the completion date of new Share issue or rights issue; and “P1” denotes the effective conversion price after adjustment.

In the case of rights issue (whether at a price lower than the audited net assets per Share in the year end prior to the issuance or not), the total number of ordinary Shares of the Bank will increase and the equity interest per Share will be diluted accordingly. Therefore, a corresponding discount shall be applied to the Initial Conversion Price so as to ensure that all Shareholders’ rights and interests are protected.

In accordance with the relevant requirements under the PRC Company Law, the conversion price of the converted H Shares under the convertible negotiated deposit shall not be less than the nominal value of the Shares. Therefore, the conversion price (with or without any adjustment aforementioned) shall not be less than the Minimum Conversion Price of RMB1.00 per Share.

The ordinary Shares to be issued as a result of the conversion of the convertible negotiated deposit will rank pari passu with the existing issued ordinary Shares, and all holders of ordinary Shares whose names appear on the register of members of the Bank on the record date for dividend entitlement shall be entitled to receive the dividend for the current dividend period.

All or part of the convertible negotiated deposit will be converted by the Finance Department of Henan Province or its designated authorities to ordinary Shares of the Bank (i.e. the Target Shares), and the number of ordinary Shares to be converted will be equal to the outstanding principal amount of the convertible negotiated deposit divided by the conversion price.

v. Implementation of the conversion

The Finance Department of Henan Province or its designated authorities, the Bank and the prospective shareholders (including but not limited to the Qualified Target Subscribers which are related to the implementation of the conversion) of the Bank will enter into a capital increment agreement according to the conversion standards and conditions agreed in the Agreement. After the conversion, the Qualified Target Subscribers will, as the Shareholders of the Bank, exercise the corporate governance over the Bank based on the actual shareholding with other Shareholders of the Bank.

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The convertible negotiated deposit in the Bank from the Finance Department of Henan Province or its designated authorities will be converted to the capital for subscription of the Shares after the aforementioned capital increment agreement is entered into among the Finance Department of Henan Province or its designated authorities, the Bank and the prospective shareholders (including but not limited to the Qualified Target Subscribers which are related to the implementation of the conversion) of the Bank, and the Articles of Association would also be amended accordingly.

After the register of members is determined, the Bank shall be responsible for the amendment to the corporate registration particulars in relation to the Target Shares with the company registration authority, and the Finance Department of Henan Province or its designated authorities and the Qualified Target Subscribers will provide assistance and cooperation correspondingly. As agreed among all the parties, since the date when the convertible negotiated deposit is deducted as the conversion capital from the convertible negotiated deposit account of the Finance Department of Henan Province or its designated authorities, the Bank will not pay any interest on those amounts of deducted convertible negotiated deposit. After the completion date of the conversion, the Shareholders whose names appear on the register of members after the conversion shall be entitled to the capital reserve, surplus reserve and accumulative undistributed profits of the Bank in proportion to their respective Shares.

vi. Disposal of shares

The Target Shares directly and indirectly held by the Finance Department of Henan Province or its designated authorities under the Agreement will be transferred in priority to the 5 top state-owned Shareholders according to their shareholding proportions under the coordination of the Bank by means of market-based transfer, in order to realize the disposal of the converted Shares, provided that the ultimate holders and the transfer of the Shares shall comply with the relevant rules and regulations of the Stock Exchange and be subject to the approval of the regulatory authorities. The above arrangement can minimize the reduction in the stake holding in the Bank by state-owned Shareholders from the disposal of the Target Shares by the Finance Department of Henan Province or its designated authorities so as to maintain the stability of the shareholding structure of the Bank as a whole.

The Bank shall provide assistance and cooperation for the transfer of the Shares held by the Finance Department of Henan Province or its designated authorities under the Agreement. For the avoidance of doubt, the Bank and the 5 top state-owned Shareholders have no obligations under the Agreement in relation to the disposal of the Target Shares.

Notwithstanding the above, in compliance with the Minimum Public Float by the Bank at all times, in the event that any disposal of the Target Shares (whether partially or fully) by the Finance Department of Henan Province or its designated authorities would cause the Bank's failure of satisfying the requirements of the Listing Rules regarding the Minimum Public Float, the Finance Department of Henan Province or its designated authorities shall not and the Bank shall procure the Finance Department of Henan Province or its designated authorities not to dispose of the Target Shares.

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vii. Liability for breach of contract

If the Bank submits any false information or document to the Finance Department of Henan Province or its designated authorities, provides an invalid warranty or undertaking, or breaches any repayment obligation under the Agreement, the Finance Department of Henan Province may at its discretion:

- (1) make remedy in accordance with the provisions on the remedial measures for breach of contract in the Agreement; and/or
- (2) declare the early termination of the Agreement and require the Bank to immediately repay all the principal, interest and other expenses payable as of the date on which the Finance Department of Henan Province or its designated authorities declares the early termination of the Agreement.

If the Bank fails to pay or fails to pay in full the principal, interest and other fees payable upon the maturity of the convertible negotiated deposit under the Agreement (including the declaration of the early termination of the Agreement by the Finance Department of Henan Province according to the relevant terms of the Agreement), and the Finance Department of Henan Province chooses not to convert the relevant convertible negotiated deposit into Shares in accordance with the conversion conditions as set out in the Agreement, the Finance Department of Henan Province shall have the right to charge penalty interest on the overdue principal, interest and fees on a daily basis at the rate of annual interest rate of convertible negotiated deposit multiplied by two times and divided by the number of days of the year.

The Bank shall be obliged to ensure the safety of the deposit account of the Finance Department of Henan Province or its designated authorities under the Agreement, and pay the relevant interest on schedule and cooperate with the Finance Department of Henan Province or its designated authorities for the withdrawal of the relevant deposits according to the term of corresponding installments of deposits as set out in the Agreement. If the Bank fails to pay the interest as agreed or rejects the withdrawal request of the Finance Department of Henan Province or its designated authorities without reasonable ground, and still fails to pay the full amount within 5 working days as of the date of request by the Finance Department of Henan Province or its designated authorities, the Finance Department of Henan Province or its designated authorities shall have the right to terminate the Agreement, and the Bank shall immediately repay all or the remaining principal, accrued interest and all other expenses payable and shall indemnify the Finance Department of Henan Province or its designated authorities for any losses incurred.

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The Bank shall make repayment on schedule according to the Agreement. If the Bank suffers losses or makes false profit but actual loss due to poor operation, which endangers the security of the convertible negotiated deposit, the Finance Department of Henan Province or its designated authorities shall have the right to withdraw the convertible negotiated deposit ahead of time.

viii. Effectiveness and termination

The Agreement shall come into force upon the satisfaction of each of the following conditions:

- (1) the Agreement is signed and stamped by the legal representatives or authorized representatives of the relevant parties;
- (2) the Agreement is approved by securities regulatory authorities in the place where the Bank's Shares are listed and considered and passed by the EGM and the Class Meetings; and
- (3) the convertible negotiated deposit and the conversion into the Target Shares under the Agreement is approved by the relevant government authorities or upstream authorities (if necessary).

The Agreement shall be terminated in any of the following circumstances:

- (1) the parties reach consensus to terminate the Agreement;
- (2) the convertible negotiated deposit cannot be implemented due to force majeure and other objective factors beyond the control of the parties; or
- (3) the severe violation of the Agreement or applicable laws by any party of the Agreement renders it impossible to perform and complete the Agreement. In this case, any of parties have the right to unilaterally terminate the Agreement by written notice.

ix. Listing Rules implications of the convertible negotiated deposit and issuance of H Shares under specific mandate

Pursuant to Rule 19A.38 of the Listing Rules, the specific mandate of the proposed convertible negotiated deposit and issuance of the H Shares resulting from the conversion thereof are subject to the requirements for approval at the EGM and the Class Meetings.

The proposed convertible negotiated deposit and its specific mandate were considered and approved by the Board on September 29, 2022. None of the Directors has a material interest in the above matters and hence no Director has abstained from voting on such resolution of the Board.

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Save as disclosed below, the Bank did not conduct any other equity fund raising activities within the 12 months immediately preceding the Latest Practicable Date:

Date of Announcement	Equity Fund Raising Activity	Net Proceeds Raised	Proposed Use of Proceeds	Actual Use of Proceeds
10 May 2022	Placing of 3,150,000,000 H Shares at the conversion price of HK\$1.8 per Share under specific mandate passed by the Shareholders on 10 March 2022	Approximately HK\$5,667 million	To replenish core tier 1 capital of the Bank	Fully used to replenish core tier 1 capital of the Bank

This proposal was considered and adopted at the meeting of the Board held on September 29, 2022, which is to be proposed to the EGM and the Class Meetings by way of special resolution(s) for Shareholders' consideration and approval.

III. FINANCIAL BUDGET REPORT FOR 2022

For the Financial Budget Report for 2022, please refer to Appendix I to this circular.

IV. EGM AND CLASS MEETINGS

The EGM of the Bank will be held at 2:30 p.m. on October 26, 2022 (Wednesday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC, and the H Share Class Meeting will be held at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC on the same day at 3:00 p.m. (or immediately after the conclusion or adjournment of the EGM), and the Domestic Share Class Meeting will be held at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC on the same day at 3:30 p.m. (or immediately after the conclusion or adjournment of the H Share Class Meeting), to consider and, if thought fit, to approve the proposed matters as set out in the notice of EGM, the notice of the H Share Class Meeting and the notice of the Domestic Share Class Meeting as set forth in the appendices herein.

Whether or not you intend to attend and/or vote at the EGM, the H Share Class Meeting and/or the Domestic Share Class Meeting in person, you should complete the proxy form(s) in accordance with the instructions printed thereon. Completion and return of the proxy form(s) will not preclude you from attending in person or voting at the EGM, the H Share Class Meeting, and/or the Domestic Share Class Meeting or any adjournment thereof should you so wish.

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V. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all voting by the Shareholders at Shareholders' general meetings shall be taken by way of poll. As such, the chairman of the meeting will request a poll for the relevant resolution(s) proposed at the EGM and the Class Meetings.

Pursuant to Rule 2.15 of the Listing Rules, if the Shareholders have material interests in a transaction or arrangement, such interested Shareholder(s) shall abstain from voting on the relevant resolution for approving the transaction or arrangement at the relevant Shareholders' general meetings.

As at the Latest Practicable Date, Henan Investment Group, a Shareholder of the Bank, directly and indirectly held 2,919,676,294 Domestic Shares in aggregate. Therefore, Henan Investment Group and its associates are entitled to exercise control over the voting rights in respect of 2,919,676,294 Domestic Shares, representing approximately 9.86% and 7.99% of the total issued Domestic Shares and the total issued ordinary Shares of the Bank, respectively. Accordingly, Henan Investment Group and its associates have material interests in the Agreement and the convertible negotiated deposit, and will abstain from voting on the resolution(s) for approving the convertible negotiated deposit and its specific mandate at the EGM and the Domestic Share Class Meeting. The total number of Shares held by Henan Investment Group and its associates which was not counted towards such resolution was 2,919,676,294 Shares.

Save as aforesaid, to the knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the relevant resolution to be proposed at the EGM and the Class Meetings, who are required by reason of such material interests to abstain from voting to approve the relevant resolution at the EGM and the Class Meetings.

The voting results of the EGM and the Class Meetings will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in due course in accordance with the Listing Rules.

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VI. CLOSURE OF THE REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING AND VOTING AT THE EGM AND THE CLASS MEETINGS

The Bank's register of members will be closed from October 21, 2022 (Friday) to October 26, 2022 (Wednesday), both days inclusive, during which period no transfer of Shares will be effected. The Shareholders whose names appear in the Bank's register of members on October 26, 2022 (Wednesday) shall be entitled to attend and vote at the EGM, the H Share Class Meeting and the Domestic Share Class Meeting.

To be eligible for attending and voting at the EGM, the H Share Class Meeting and the Domestic Share Class Meeting, all transfer documents together with the relevant share certificates and other appropriate documents must be lodged with the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the H Shareholders) or the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the Domestic Shareholders) not later than 4:30 p.m., October 20, 2022 (Thursday) for registration.

VII. RECOMMENDATIONS

The Board (including the independent non-executive Directors) considers that the relevant resolutions to be proposed at the EGM and the Class Meetings are in the interests of the Bank and the Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the EGM, the H Share Class Meeting and the Domestic Share Class Meeting.

VIII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in other sections of and the appendices to this circular including (i) the Financial Budget Report for 2022, and (ii) notices of the EGM and the Class Meetings.

The exchange rate used for reference purpose in this circular is RMB1.00 to HK\$1.10.

The proposed issuance of the convertible negotiated deposit are subject to a number of conditions precedent, including but not limited to the approvals from the Shareholders and approvals from relevant regulatory bodies, which may or may not be fulfilled. There is no assurance that the Bank will proceed with the proposed issuance of the convertible negotiated deposit. The Shareholders and potential investors of the Bank should exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Bank.

By Order of the Board
Zhongyuan Bank Co., Ltd.*
XU Nuojin
Chairman

Zhengzhou, the PRC
October 5, 2022

* *Zhongyuan Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), is not subject to the supervision of the Hong Kong Monetary Authority, and is not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

For identification purpose only

中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

FINANCIAL BUDGET REPORT FOR 2022

I. BACKGROUND OF PREPARATION

The year 2022 marks the start of the establishment of a new Zhongyuan Bank by absorption and merger, with the Bank embarking on a new journey of “making Zhongyuan Bank a century old brand”. Upholding the spirit of the central and provincial economic work conference that encourages unified ideas, forging consensus, problem solving and achieving common development, and in the context of the integration period after merger, the critical transformation stage and the preparation period for relisting on A Shares market, the Bank formulated the financial budget of Zhongyuan Bank for 2022.

II. PRINCIPLES OF PREPARATION

In view of the domestic economic situation, regional environment, regulatory policies and current business development situation, this budget is formulated to implement the “Three Small Goals and One Big Goal” strategic objectives, practice the “Four Services” strategic direction, implement the spirit of the Henan Provincial Committee’s instruction on “developing Zhongyuan Bank into a leading commercial bank”, shouldering its financial mission to establish a good market image for Zhongyuan Bank, maintain steady growth of major business indicators, and realize the steady and high-quality development of the new Zhongyuan Bank. The specific principles it follows are as below:

Firstly, solidifying the leadership of Party building and achieving steady progress. We comprehensively strengthened Party building, exercised full and strict Party self-governance, and promoted stability in the course of reform and development of the Bank. Also, we facilitated the organic integration of Party building and business development, broke new ground in all respects, and kept seeking progress, solidity and excellence while maintaining stability.

Secondly, advancing consolidation by merger and promoting reform. We successfully completed the consolidation and merger work, promoted local financial reform to defuse risks, and optimized the financial structure across the province. We carried out follow-up works after consolidation and merger, accelerated the substantive integration of the business and conceptual mechanism, and further clarify the goals and directions of future development, striving to create a new situation in the work of the Zhongyuan Bank and to accelerate the realization of the transformation in four aspects.

Thirdly, maintaining compliance operation and steady development. We firmly established the business philosophy of promoting development with compliance operation, continuously refined the compliance management system, deepened the concept of compliance, and strengthened compliance culture construction to improve compliance management. We strictly adhered to the bottom line of risk, conducted vulnerability check to shore up our weak spots, as well as effectively dealt with legacy issues, so as to ensure the sound development of the whole bank.

Fourthly, insisting on the positioning and defining objectives. We kept strategic orientation of rooting in, cultivating, relying on, and serving Zhongyuan Bank, and reinforced support for the real economy. We strove to return to the origin of finance, integrate and optimize financial resources, and comprehensively enhance the ability to serve the economic and social development of the province. Focusing on regional economic development in Henan, we took advantage of the regional endowment, and put the “Ten Strategies” into practice in compliance with the decisions and deployments of the provincial committees and provincial government.

Fifthly, consolidating foundation and strengthening the transformation. We continued to improve the quality of assets, address existing financing problems, and strictly control the incremental non-performing assets, and reduced the ratio of non-performing loan in an orderly way to consolidate the foundation of high-quality development. In addition, we established the right ideology, and promoted the transformation in terms of concept, business, digital intelligence and style of work. We have formed a reasonable planning of asset and liability structure that emphasizes the customer-centric concept, so that we can better practice the original intention and mission of financial services, and form a consensus to accelerate the transformation and development.

III. MAJOR FINANCIAL BUDGET INDICATORS OF THE GROUP

1. Total assets: The total assets are expected to reach RMB1,270.9 billion at the end of 2022, representing an increase of RMB502.7 billion or 65% as compared with the end of the previous year.
2. Total deposits: The total deposits are expected to reach RMB824.8 billion at the end of 2022, representing an increase of RMB376.4 billion or 84% as compared with the end of the previous year.
3. Net profit attributable to the parent: The net profit attributable to the parent is expected to reach RMB3.702 billion in 2022, representing an increase of RMB137 million or 4% as compared with the previous year.

4. Non-performing loan ratio: The non-performing loan ratio is expected to be within 2.5% by the end of 2022.

Table 1: Major budget indicators of the Group

Unit: RMB100 million

Items	Expected in 2022	Actual in 2021	Increase	Increased percentage
1. Total assets	12,709	7,682	5,027	65%
2. Total deposits	8,248	4,484	3,764	84%
3. Net profit attributable to the parent	37.02	35.65	1.37	4%
4. Non-performing loan ratio	2.5%	2.18%	0.32%	

IV. MAJOR FINANCIAL BUDGET INDICATORS OF THE PARENT BANK

1. Total assets: The total assets are expected to reach RMB1,200.9 billion at the end of 2022, representing an increase of RMB475.0 billion or 65% as compared with the end of the previous year.
2. Total deposits: The total deposits are expected to reach RMB791.9 billion at the end of 2022, representing an increase of RMB356.2 billion or 82% as compared with the end of the previous year.
3. Net profit: The net profit is expected to reach RMB3.13 billion in 2022, representing an increase of RMB40 million or 1% as compared with the previous year.
4. Non-performing loan ratio: The non-performing loan ratio is expected to be within 2.5% by the end of 2022.

Table 2: Major budget indicators of the Parent Company

Unit: RMB100 million

Items	Expected in 2022	Actual in 2021	Increase	Increased percentage
1. Total assets	12,009	7,260	4,750	65%
2. Total deposits	7,919	4,357	3,562	82%
3. Net profit	31.3	30.9	0.4	1%
4. Non-performing loan ratio	2.5%	2.19%	0.31%	

中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

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

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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Zhongyuan Bank Co., Ltd.* (the “**Bank**”) will be held at 2:30 p.m. on October 26, 2022 (Wednesday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC to consider and approve, if thought fit, the following resolutions. Unless otherwise specified, capitalized terms used herein shall have the same meaning as those defined in the circular of the Bank dated October 5, 2022.

SPECIAL RESOLUTION

1. To consider and approve the proposal in relation to the replenishment of other tier-one capital through a convertible negotiated deposit of the Bank;

ORDINARY RESOLUTION

2. To consider and approve the Financial Budget Report for 2022.

By Order of the Board
Zhongyuan Bank Co., Ltd.*
XU Nuojin
Chairman

Zhengzhou, the PRC
October 5, 2022

As at the date of this notice, the Board comprises Mr. XU Nuojin, Mr. WANG Jiong and Mr. LI Yulin as executive Directors, Ms. ZHANG Qiuyun and Mr. MI Hongjun as non-executive Directors, and Ms. PANG Hong, Mr. LI Hongchang, Mr. JIA Tingyu and Mr. CHAN Ngai Sang Kenny as independent non-executive Directors.

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), all resolutions proposed at the EGM will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman of the EGM decides to permit the vote by a show of hands). The voting results will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in accordance with the Listing Rules.

2. CLOSURE OF THE REGISTER OF MEMBERS

The Bank’s register of members will be closed from October 21, 2022 (Friday) to October 26, 2022 (Wednesday), both days inclusive, during which period no transfer of the shares (“**Shares**”) will be effected. The shareholders (the “**Shareholders**”) of the Bank whose names appear in the Bank’s register of members on October 26, 2022 (Wednesday) shall be entitled to attend and vote at the EGM.

For a Shareholder to be eligible for attending and voting at the EGM, all transfer documents together with the relevant share certificates and other appropriate documents must be delivered 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 (for the H Shareholders) or the office of the board (the “**Board**”) of directors of the Bank at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the Domestic Shareholders) not later than 4:30 p.m., on October 20, 2022 (Thursday).

3. PROXY

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more person(s) (if the Shareholder holds two or more issued Shares), whether (each of) such person is a Shareholder or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the EGM.

The proxy concerned must be appointed with a power of attorney. The power of attorney concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the power of attorney shall be affixed with the common seal of the legal person or signed by its director or a representative duly authorized in writing. If the power of attorney of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized and served at the same time as the power of attorney. To be valid, the form of proxy, together with a notarially certified copy of the power of attorney or other authority must be delivered to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the H Shareholders) or to the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the Domestic Shareholders) not later than 24 hours before the scheduled time for the holding of the EGM or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy and the power of attorney, you can attend and vote in person at the EGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares at the EGM in person or by proxy as the only holder entitled to vote. If one or more registered joint holders attend the EGM in person or by proxy, the vote of the person (in person or by proxy) whose name appears first in the Bank’s register of members will be accepted as the sole and exclusive vote of the joint holders.

4. MISCELLANEOUS

The Shareholders or their proxies shall present their identity documents when attending the EGM (or any adjournment thereof). The legal representative of or any other persons officially authorized by a corporate Shareholder shall present his/her identity documents and the notarially certified documents for appointment as a legal representative or valid authorization document(s) (as the case may be) when attending the EGM (or any adjournment thereof).

The EGM is expected to last for no more than half a day. Shareholders and their representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

Address of Computershare Hong Kong Investor Services Limited:

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

Address of the office of the Board:

Zhongke Golden Tower
No. 23 Shangwu Waihuan Road
CBD Zhengdong New District
Zhengzhou, Henan Province
the PRC
Tel: (86) 0371-8551 7898
Fax: (86) 0371-8551 9888

The details about the aforesaid resolution proposed for the consideration and approval at the EGM will be set out in the circular to be despatched by the Bank in due course.

中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

NOTICE OF H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the H share class meeting (the “**H Share Class Meeting**”) of Zhongyuan Bank Co., Ltd.* (the “**Bank**”) will be held at 3:00 p.m. (or immediately after the conclusion or adjournment of the extraordinary general meeting) on October 26, 2022 (Wednesday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC to consider and approve, if thought fit, the following resolution. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the circular of the Bank dated October 5, 2022.

SPECIAL RESOLUTION

1. To consider and approve the proposal in relation to the replenishment of other tier-one capital through a convertible negotiated deposit of the Bank.

By Order of the Board
Zhongyuan Bank Co., Ltd.*
XU Nuojin
Chairman

Zhengzhou, the PRC
October 5, 2022

As at the date of this notice, the Board comprises Mr. XU Nuojin, Mr. WANG Jiong and Mr. LI Yulin as executive Directors, Ms. ZHANG Qiuyun and Mr. MI Hongjun as non-executive Directors, and Ms. PANG Hong, Mr. LI Hongchang, Mr. JIA Tingyu and Mr. CHAN Ngai Sang Kenny as independent non-executive Directors.

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), all resolutions proposed at the H Share Class Meeting will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman of the H Share Class Meeting decides to permit the vote by a show of hands). The voting results will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in accordance with the Listing Rules.

2. CLOSURE OF THE REGISTER OF MEMBERS

The Bank’s register of members will be closed from October 21, 2022 (Friday) to October 26, 2022 (Wednesday), both days inclusive, during which period no transfer of the shares (“**Shares**”) will be effected. The shareholders (the “**Shareholders**”) of the Bank whose names appear in the Bank’s register of members on October 26, 2022 (Wednesday) shall be entitled to attend and vote at the H Share Class Meeting.

For a Shareholder to be eligible for attending and voting at the H Share Class Meeting, all transfer documents together with the relevant share certificates and other appropriate documents must be delivered 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 not later than 4:30 p.m., on October 20, 2022 (Thursday).

3. PROXY

Any Shareholder entitled to attend and vote at the H Share Class Meeting is entitled to appoint one or more person(s) (if the Shareholder holds two or more issued Shares), whether (each of) such person is a Shareholder or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the H Share Class Meeting.

The proxy concerned must be appointed with a power of attorney. The power of attorney concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the power of attorney shall be affixed with the common seal of the legal person or signed by its director or a representative duly authorized in writing. If the power of attorney of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized and served at the same time as the power of attorney. To be valid, the form of proxy, together with a notarially certified copy of the power of attorney or other authority must be delivered to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the H Shareholders) or to the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the Domestic Shareholders) not later than 24 hours before the scheduled time for the holding of the H Share Class Meeting or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy and the power of attorney, you can attend and vote in person at the H Share Class Meeting or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares at the H Share Class Meeting in person or by proxy as the only holder entitled to vote. If one or more registered joint holders attend the H Share Class Meeting in person or by proxy, the vote of the person (in person or by proxy) whose name appears first in the Bank’s register of members will be accepted as the sole and exclusive vote of the joint holders.

4. MISCELLANEOUS

The Shareholders or their proxies shall present their identity documents when attending the H Share Class Meeting (or any adjournment thereof). The legal representative of or any other persons officially authorized by a corporate Shareholder shall present his/her identity documents and the notarially certified documents for appointment as a legal representative or valid authorization document(s) (as the case may be) when attending the H Share Class Meeting (or any adjournment thereof).

The H Share Class Meeting is expected to last for no more than half a day. Shareholders and their representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

Address of Computershare Hong Kong Investor Services Limited:

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

The details about the aforesaid resolution proposed for the consideration and approval at the H Share Class Meeting will be set out in the circular to be despatched by the Bank in due course.

中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

(Stock Code of Preference Shares: 4617)

NOTICE OF DOMESTIC SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the domestic share class meeting (the “**Domestic Share Class Meeting**”) of Zhongyuan Bank Co., Ltd.* (the “**Bank**”) will be held at 3:30 p.m. (or immediately after the conclusion or adjournment of the H share class meeting) on October 26, 2022 (Wednesday) at Sheraton Grand Zhengzhou Hotel, No. 33, Jinshui East Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC to consider and approve, if thought fit, the following resolution. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the circular of the Bank dated October 5, 2022.

SPECIAL RESOLUTION

1. To consider and approve the proposal in relation to the replenishment of other tier-one capital through a convertible negotiated deposit of the Bank.

By Order of the Board
Zhongyuan Bank Co., Ltd.*
XU Nuojin
Chairman

Zhengzhou, the PRC
October 5, 2022

As at the date of this notice, the Board comprises Mr. XU Nuojin, Mr. WANG Jiong and Mr. LI Yulin as executive Directors, Ms. ZHANG Qiuyun and Mr. MI Hongjun as non-executive Directors, and Ms. PANG Hong, Mr. LI Hongchang, Mr. JIA Tingyu and Mr. CHAN Ngai Sang Kenny as independent non-executive Directors.

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), all resolutions proposed at the Domestic Share Class Meeting will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman of the Domestic Share Class Meeting decides to permit the vote by a show of hands). The voting results will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in accordance with the Listing Rules.

2. CLOSURE OF THE REGISTER OF MEMBERS

The Bank’s register of members will be closed from October 21, 2022 (Friday) to October 26, 2022 (Wednesday), both days inclusive, during which period no transfer of the shares (“**Shares**”) will be effected. The shareholders (the “**Shareholders**”) of the Bank whose names appear in the Bank’s register of members on October 26, 2022 (Wednesday) shall be entitled to attend and vote at the Domestic Share Class Meeting.

For a Shareholder to be eligible for attending and voting at the Domestic Share Class Meeting, all transfer documents together with the relevant share certificates and other appropriate documents must be delivered to the office of the board (the “**Board**”) of directors of the Bank at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC not later than 4:30 p.m., on October 20, 2022 (Thursday).

3. PROXY

Any Shareholder entitled to attend and vote at the Domestic Share Class Meeting is entitled to appoint one or more person(s) (if the Shareholder holds two or more issued Shares), whether (each of) such person is a Shareholder or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the Domestic Share Class Meeting.

The proxy concerned must be appointed with a power of attorney. The power of attorney concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the power of attorney shall be affixed with the common seal of the legal person or signed by its director or a representative duly authorized in writing. If the power of attorney of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized and served at the same time as the power of attorney. To be valid, the form of proxy, together with a notarially certified copy of the power of attorney or other authority must be delivered to the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC not later than 24 hours before the scheduled time for the holding of the Domestic Share Class Meeting or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy and the power of attorney, you can attend and vote in person at the Domestic Share Class Meeting or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares at the Domestic Share Class Meeting in person or by proxy as the only holder entitled to vote. If one or more registered joint holders attend the Domestic Share Class Meeting in person or by proxy, the vote of the person (in person or by proxy) whose name appears first in the Bank’s register of members will be accepted as the sole and exclusive vote of the joint holders.

4. MISCELLANEOUS

The Shareholders or their proxies shall present their identity documents when attending the Domestic Share Class Meeting (or any adjournment thereof). The legal representative of or any other persons officially authorized by a corporate Shareholder shall present his/her identity documents and the notarially certified documents for appointment as a legal representative or valid authorization document(s) (as the case may be) when attending the Domestic Share Class Meeting (or any adjournment thereof).

The Domestic Share Class Meeting is expected to last for no more than half a day. Shareholders and their representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

Address of the office of the Board:

Zhongke Golden Tower
No. 23 Shangwu Waihuan Road
CBD Zhengdong New District
Zhengzhou, Henan Province
the PRC
Tel: (86) 0371-8551 7898
Fax: (86) 0371-8551 9888

The details about the aforesaid resolution proposed for the consideration and approval at the Domestic Share Class Meeting will be set out in the circular to be despatched by the Bank in due course.