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**CHINA BOHAI BANK CO., LTD.**

**渤海銀行股份有限公司**

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

**(Stock Code: 9668)**

**PROPOSED MANDATE IN RELATION TO  
THE POTENTIAL VERY SUBSTANTIAL DISPOSAL  
THROUGH PUBLIC TENDER**

**THE PROPOSED MANDATE AND THE PROPOSED DISPOSAL**

On July 19, 2024, the Board has resolved to seek the Proposed Mandate, as the Bank proposes to transfer its legally owned Transferred Assets by way of a public tender process, and to enter into the Assets Transfer Agreement with the final transferee.

Upon approval of the Proposed Disposal and the Proposed Mandate by the Shareholders' general meeting, the Bank will make further announcement(s) in accordance with Rule 14.36 of the Listing Rules as and when appropriate in relation to the subsequent progress of the Proposed Disposal and the Proposed Mandate.

As the asset size involved in the Proposed Disposal is relatively large, it is difficult to complete the asset disposal by way of a single transfer, and there are uncertainties as to the time required for the arrangement and preparation of each batch of asset disposal and the conditions of implementation. In order to facilitate the orderly completion of the transfer of the assets involved in the Proposed Disposal, and on the basis of the principle that it will be fully conducive to further optimizing the asset structure of the Bank and consolidating its asset quality, and the principle that the interests of the Bank and the Shareholders are protected to the maximum possible extent, the Bank proposes to seek the grant of the Proposed Mandate by the Shareholders' general meeting for the completion of the asset transfer in batches within the Mandate Validity Period.

## **LISTING RULES IMPLICATIONS**

Based on the amount of the Initial Minimum Consideration, as one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Disposal exceed 75%, the Proposed Disposal constitutes a very substantial disposal of the Bank under Chapter 14 of the Listing Rules, and thus is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, a series of transactions should be aggregated and treated as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As a potential transferee of the Proposed Disposal and the transferee of the Previous Assets Transfer may be the same and the nature of the transactions is the same, if the Proposed Disposal is finally determined to be conducted with Tianjin JR, the Proposed Disposal shall be aggregated with the Previous Assets Transfer under the Previous Assets Transfer Agreement. Accordingly, as one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions under the Proposed Disposal as aggregated under the Listing Rules exceed 75%, the Proposed Disposal constitutes a very substantial disposal of the Bank under Chapter 14 of the Listing Rules, and thus is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As additional time is required by the Bank to prepare the information to be included in the circular, a circular containing, among other things, (i) further information of the Proposed Mandate and the Proposed Disposal; (ii) financial information of the Group; (iii) unaudited financial information of the Transferred Assets; (iv) unaudited pro forma financial information of the Group upon disposal of the Transferred Assets; (v) a notice of the Shareholders' general meeting; and (vi) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before August 31, 2024.

## **INTRODUCTION**

The Board hereby announces that on July 19, 2024, the Board has resolved to seek the Proposed Mandate, as the Bank proposes to transfer its legally owned Transferred Assets by way of a public tender process, and to enter into the Assets Transfer Agreement with the final transferee.

Upon approval of the Proposed Disposal and the Proposed Mandate by the Shareholders' general meeting, the Bank will make further announcement(s) in accordance with Rule 14.36 of the Listing Rules as and when appropriate in relation to the subsequent progress of the Proposed Disposal and the Proposed Mandate.

## **THE PROPOSED DISPOSAL THROUGH PUBLIC TENDER**

### **Date**

Upon approval of the Proposed Disposal and the Proposed Mandate by the Shareholders' general meeting, the Bank expects to complete the Proposed Disposal in batches within the Mandate Validity Period, and the specific date of the transfer transaction for each batch will be determined by the Bank at its discretion having regard to the actual situation of the preparation work for the transfer of assets in each batch, and the Bank will make further announcement(s) in accordance with Rule 14.36 of the Listing Rules as and when appropriate in relation to the subsequent progress of the Proposed Disposal and the Proposed Mandate.

## **Public tender**

According to the Management Measures on the Bulk Transfer of Non-performing Assets of Financial Enterprises (《金融企業不良資產批量轉讓管理辦法》) (Cai Jin [2012] No. 6) issued by the Ministry of Finance and the then China Banking Regulatory Commission, the Notice by the General Office of the China Banking and Insurance Regulatory Commission on the Launch of Pilot Program on Non-Performing Loan Transfer (《中國銀保監會辦公廳關於開展不良貸款轉讓試點工作的通知》) (Yin Bao Jian Ban Bian Han [2021] No. 26) and other regulatory documents, “the transfer of non-performing assets shall be conducted in adherence to the principles of legal compliance, openness and transparency, competitive selection and value maximization”. Meanwhile, with reference to the current practice of transferring interbank non-performing assets, an invitation of offer is generally adopted to be sent to all local asset management companies with qualification for acquisition of non-performing assets, to proceed with transactions by way of on-site bidding or public tender on the equity exchange platform. Therefore, in order to realize the principles of openness and transparency, competitive selection and value maximization, the Bank will adopt the method of public tender on the Equity Exchange for the Proposed Disposal.

### **Public tender process in relation to the Proposed Disposal**

- (1) In order to proceed with a formal public tender process in relation to the Proposed Disposal, the Bank will submit to the Equity Exchange an application for information disclosure, the identification documents of the transferor, the internal decision-making documents of the transferor, proof of ownership documents of the Transferred Assets and other related information in relation to the Proposed Disposal upon approval by the Shareholders’ general meeting.
- (2) The Equity Exchange shall publish a public notice on the transfer information upon reviewing the relevant materials, which shall in principle take no less than five working days, with the day following the date of publication as the commencement date.
- (3) A potential transferee shall submit an application for the transfer to the Equity Exchange before the final date for publication of transfer information (which shall in principle be no less than five working days after the day following the date of publication) and submit the relevant materials (including the payment of security deposit) in accordance with what has been announced, and the Equity Exchange shall register the potential transferees one by one.
- (4) After the expiry of the public notice (which shall in principle be no less than five working days after the day following the date of publication), if only one potential transferee is solicited, the transaction shall be executed by agreement (in such cases, a transaction executed by agreement is also equivalent to a transaction executed through tender). If two or more potential transferees are solicited, the Equity Exchange will arrange for online bidding for the potential transferees which have applied, and determine the final transferee. After determining the final transferee, the Equity Exchange will arrange the parties to enter into a transfer agreement in accordance with the closing date of the public notice. After the procedures of, among other things, subsequently concluding an agreement and fund settlement, the Equity Exchange will issue the relevant proof of transaction to both parties.

## **Proposed Mandate**

As the asset size involved in the Proposed Disposal is relatively large, it is difficult to complete the asset disposal by way of a single transfer, and there are uncertainties as to the time required for the arrangement and preparation of each batch of asset disposal and the conditions of implementation. In order to facilitate the orderly completion of the transfer of the assets involved in the Proposed Disposal, and on the basis of the principle that it will be fully conducive to further optimizing the asset structure of the Bank and consolidating its asset quality, and the principle that the interests of the Bank and the Shareholders are protected to the maximum possible extent, the Bank proposes to seek the grant of the Proposed Mandate by the Shareholders' general meeting for the completion of the asset transfer in batches within the Mandate Validity Period.

In addition, according to the trading rules of the Equity Exchange, the transferor shall have completed its internal necessary decision-making procedures (including the approval procedure by the Shareholders' general meeting) at the time of submitting the application for the asset transfer, and according to the tender and transaction process of the Equity Exchange, an asset transfer agreement can only be entered into upon the determination of the final transferee of the assets after the tender and transfer process is completed. Therefore, the Bank will not be able to seek the approval by the Shareholders' general meeting after the entering into of the Assets Transfer Agreement in accordance with the provisions of Chapter 14 of the Listing Rules, and in order to safeguard the feasibility of the transaction, the Board hereby seeks the prior approval of the Proposed Disposal and the Proposed Mandate by the Shareholders' general meeting.

The Board proposes to the Shareholders' general meeting to authorize the Board and agrees that the Board shall further delegate to the senior management of the Bank the full authority to determine and approve all matters relating to the Proposed Disposal under the framework and principles of the Proposed Disposal as considered and approved by the Shareholders' general meeting, including but not limited to, determining and approving the timing of the disposal of the Transferred Assets, the specific size and forms of and arrangements for the disposal, matters relating to the public tender, determination of the final transferee, the entering into of the Assets Transfer Agreement and all other matters relating to the Proposed Disposal, other than matters expressly provided for in the relevant laws and regulations, and the articles of association of the Bank, or subject to voting again at a Shareholders' general meeting based on the opinion of the relevant competent authorities. Such authorities shall be valid for one year from the date of approval by the Shareholders' general meeting (i.e. the Mandate Validity Period).

The Directors consider that the prior submission of the Proposed Disposal and the Proposed Mandate for approval by the Shareholders' general meeting will allow for greater flexibility and efficiency for the transaction and ensure the smooth implementation of the transaction, which is also in the interests of the Bank and the Shareholders of the Bank as a whole. Upon approval by the Shareholders' general meeting, the Bank expects to complete the public tender process for the assets to be transferred in batches and the entering into of the related Assets Transfer Agreement within the Mandate Validity Period.

## Parties to the major terms of the Proposed Disposal

- (1) The Bank, as the seller; and
- (2) Tianjin branch, China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司天津市分公司); or  
Tianjin branch, China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司天津市分公司); or  
Tianjin branch, China Great Wall Asset Management Co., Ltd. (中國長城資產管理股份有限公司天津市分公司); or  
Tianjin branch, China CITIC Financial Asset Management Co., Ltd. (中國中信金融資產管理股份有限公司天津市分公司); or  
Tianjin JR Assets Management Co., Ltd (天津津融資產管理有限公司); or  
Tianjin Binhai Zhengxin Assets Management Co., Ltd. (天津濱海正信資產管理有限公司),  
as the potential transferee.

The above potential transferees are all the companies with qualification for acquisition of financial non-performing assets in Tianjin, the PRC. The potential transferee shall not be a connected person of the Bank as defined under Chapter 14A of the Listing Rules. Save for the above potential transferees, there is no other company or organization as a potential transferee. As of the date of this announcement, the Bank had not entered into any agreement with any potential transferee. All or some of the aforesaid transferees may or may not participate in the public tender.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the above potential transferees and their ultimate beneficial owners are third parties independent of the Bank and its connected persons.

## Transferred Assets

The Transferred Assets are the legally owned assets of the Bank. As at December 31, 2023, the principal amount of the assets to be transferred amounted to approximately RMB25,605 million, their interest amount in aggregate approximately RMB2,035 million, their penalty amount in aggregate approximately RMB1,300 million, the amount of judicial fees disbursed in aggregate approximately RMB25 million, their debt amount in aggregate approximately RMB28,965 million, and the provision for impairment of assets included in the audited financial statements of the Bank for the year ended December 31, 2023 approximately RMB7,415 million. Therefore, the net amount of the debts of the Transferred Assets as at December 31, 2023, net of provision for impairment, was approximately RMB21,550 million.

As the process of asset transfer in batches may involve the recovery, resolution and disposal of assets, the specific assets subject to transfer may differ from the assets to be transferred as calculated as at December 31, 2023, and the actual assets subject to transfer will be based on the final tender information. The final total principal amount of the Transferred Assets in batches will not exceed the currently estimated total principal amount of the Transferred Assets.

The loss before tax and net loss after tax of the Transferred Assets for the year ended December 31, 2023 were RMB1,583 million and RMB1,188 million, respectively. The loss before tax and net loss after tax of the Transferred Assets for the year ended December 31, 2022 were RMB2,828 million and RMB2,121 million, respectively.

As at December 31, 2023, the assets of the Bank to be transferred involved the debts owed by 53 entities with total principal amount of RMB25,605 million. They involved loans to 52 entities with principal amount of RMB25,185 million and factoring to 1 entity with principal amount of RMB420 million by debt type. They involved debts within 1 year (excluding 1 year) owed by 13 entities with principal amount of RMB576 million, debts within 1-3 years (excluding 3 years) owed by 15 entities with principal amount of RMB1,934 million, debts within 3-5 years (excluding 5 years) owed by 19 entities with principal amount of RMB19,837 million and debts of more than 5 years (including 5 years) owed by 7 entities with principal amount of RMB3,259 million (one of them was involved in debts within 3-5 years (excluding 5 years) and debts of more than 5 years (including 5 years)) by aging.

## **CONSIDERATION**

The final Consideration for the Transferred Assets will depend on the final bidding price in public tender. The total Initial Minimum Consideration for the Transferred Assets shall be no less than approximately RMB17,672 million (equivalent to the total debts of the assets to be transferred as at December 31, 2023 of RMB28,965 million at a discount of approximately 40%). The Initial Minimal Consideration is subject to factors such as the appraised value as at the benchmark date of the public tender of each batch of the assets to be transferred, the settlement and resolution in 2024, and business adjustments. The appraised value of each batch of the Transferred Assets may change due to time factor and the appraised value of a batch of the Transferred Assets as at the time of the transfer shall prevail. The final Consideration for the Transferred Assets as a whole is expected to be no less than the total Initial Minimum Consideration as mentioned above.

### **Consideration determined after taking into account the following factors:**

- (1) The Bank has estimated the expected value of payment of non-performing assets on a case-by-case basis from four aspects, including the source of payment of pledges, the source of payment of general creditor's rights, the source of payment of guarantees and other sources of payment. The initial price of the Transferred Assets is also reasonably determined based on the expected value of payment, taking into account factors such as the estimated recovery. In particular, the estimated recovery mainly refers to the size of the assets recovered and the duration of the recovery subject to factors such as the conditions of the Transferred Assets and the effect of the external environment.
- (2) The discount coefficient is determined with reference to the prevailing market conditions of the transfer of assets, in particular, the historical data on transaction prices under the conditions of asset management companies, overall industry profitability and fast realization of assets subject to transfer. If the bid price offered by a potential transferee is above (inclusive) the base price of the Bank and is the highest price, such transferee will become the final transferee. With reference to the discounts in a number of historical transactions for the period from the establishment of the Bank to the previous non-performing asset transfer in batches, the average discount of the transaction prices was approximately 60% off of the principal. According to the investigation of the Bank, the average discount of the prices of debt transfer in batches of other banks in Tianjin for the last three years was approximately 71.7% off of the principal.
- (3) Considering that the borrowers in respect of the debt transfer are incapable of making payments to a certain extent, and certain losses are also incurred or the principal and interest remain unable to be recovered despite the implementation of guarantees or necessary legal proceedings being taken, the completion of the debt transfer will be conducive to further adjusting the asset quality and structure, and reducing provision and impairment losses on assets under such circumstances, which will further optimize the relevant financial indicators of the Bank and improve its profitability. The funds recovered from the debt transfer will be used to repay the loans and corresponding affiliated interests of the Bank, and the difference will be written off by the Bank.

- (4) In order to minimize the loss of the Bank in the asset transfer, the Bank has determined the final proposed transfer price with reference to the prevailing market conditions and the development trends of the transfer of assets, and will determine the final price of the Transferred Assets based on the bidding through tender. The final proposed transfer price through tender will be determined with reference to the prevailing market conditions and the development trends of the transfer of assets. If the bid price offered by an asset management company is above (inclusive) the base price of the Bank and is the highest price, such asset management company will become the successful transferee.

Accordingly, the Directors of the Bank consider that the Initial Minimum Consideration for the assets to be transferred and the manner in which it is determined are fair and reasonable.

The Consideration for each batch of the assets to be transferred will be paid as a lump sum payment by the final transferee to the designated account of the Bank, within the time limit agreed in the Assets Transfer Agreement (generally within 30 days from the effective date of the Assets Transfer Agreement), in accordance with the Assets Transfer Agreement to be entered into after each batch of the assets is executed through tender.

The Bank agrees to sell and the final transferee agrees to purchase all rights, interests and benefits under the Transferred Assets from the benchmark date of the actual transfer, including but not limited to:

- (1) all repayments, due or to become due, attributable to each individual asset under the Transferred Assets;
- (2) the rights to demand, claim for, recover, and receive all payable amounts relating to each individual asset under the Transferred Assets (regardless of whether they are payable by the obligor); and
- (3) all rights and legal remedies for giving effect to and the implementation of each individual asset under the Transferred Assets, including but not limited to litigation costs, preservation fees, attorney fees and other expenses paid by the seller.

## **CONDITIONS PRECEDENT TO THE PROPOSED DISPOSAL AND THE ASSETS TRANSFER AGREEMENT**

The conditions precedent to the Assets Transfer Agreement and the Proposed Disposal include:

- (i) the Bank has obtained all necessary consents and approvals for the Proposed Disposal (including the approval of it by the Shareholders at an extraordinary Shareholders' general meeting as an ordinary resolution);
- (ii) the transferor has fulfilled a public transfer process in respect of the Proposed Disposal; and
- (iii) the transferee successfully wins the bid by way of a public transfer process.

## **COMPLETION**

Upon fulfillment of the conditions of the Assets Transfer Agreement and from the date of the full payment of the Consideration by the final transferee, all rights, interests and benefits and risks of the Bank in respect of the Transferred Assets as stipulated in the Assets Transfer Agreement shall be enjoyed and borne by the final transferee and the transfer of such rights, interests and benefits and risks shall not be conditional upon the Bank's actual delivery of the relevant documents of the Transferred Assets or the Transferred Assets.

## **LIABILITY FOR BREACH OF CONTRACT**

Unless otherwise provided in the Assets Transfer Agreement, any breach of the Assets Transfer Agreement by either party shall be deemed to be a breach of contract by the party. The defaulting party shall indemnify the injured party for the actual loss incurred as a result of breach of contract by the defaulting party. If both parties are in breach of contract, each party shall bear the corresponding liability.

If the transferor has materially breached its major obligations under the Assets Transfer Agreement, resulting in the transferee being unable to exercise its major powers normally or being seriously threatened, and the transferor is still unable to eliminate the breach within five business days after receiving a breach of contract notice from the transferee, the transferor shall pay the transferee a penalty for the breach of contract of 0.03% of the transfer price daily, and the transferor shall make up for any losses incurred as a result of the breach of contract, provided that the above measure is not sufficient to compensate for the actual losses incurred by the transferee.

In the absence of breach of contract by the transferor, if the transferee materially breaches its payment obligation under the Assets Transfer Agreement, the transferee shall pay the transferor a penalty for the breach of contract of 0.03% of the transfer price daily.

If the payment of the transferee is overdue for more than 30 days, the transferor shall have the right to terminate the Assets Transfer Agreement and shall have the right to transfer the underlying assets of the transaction to another party without notice to the transferee. The deposit already paid by the transferee shall be withheld by the transferor as a penalty for the breach of contract and shall not be claimed by the transferee. If the transferor otherwise disposes of the underlying assets of the transaction, and the transfer price at the time of disposal is lower than the price quoted by the transferee, the difference between the two prices shall be deemed to be one of the losses suffered by the transferor as a result of the transferee's fundamental breach of contract, and the transferee shall pay compensation to the transferor separately according to the difference between the two prices.

The liability for breach of contract shall be subject to the actual terms of the Assets Transfer Agreement entered into between the Bank and the final transferee.

## **FINANCIAL EFFECT OF THE PROPOSED DISPOSAL ON THE BANK**

Based on the data as at 31 December 2023, it is estimated that, under the Proposed Disposal, (i) the Consideration receivable by the Bank is no less than approximately RMB17,672 million; and (ii) the principal amount of the Transferred Assets and the corresponding interest thereon and other debts are approximately RMB28,965 million, the net amount of debts, net of provision for impairment, is approximately RMB21,550 million. The negative financial effect of the above Consideration less the net amount of debts, net of provision for impairment, is approximately RMB3,878 million. The estimated effect is the maximum negative effect using the estimated lowest initial consideration, and the above estimates may differ from the actual financial effect of the Proposed Disposal. The above analysis is for illustrative purposes only and does not represent the actual financial performance and position of the Bank after completion of the Proposed Disposal.

## **USE OF PROCEEDS FROM THE PROPOSED DISPOSAL**

The proceeds from the Proposed Disposal shall be no less than approximately RMB17,672 million, which is intended to be used for the Bank's general working capital, and can improve the Bank's asset quality and reduce capital occupation, thereby increasing the capital adequacy ratio and enhancing its liquidity.



## **REASONS FOR AND BENEFITS OF THE PROPOSED MANDATE AND THE PROPOSED DISPOSAL**

The Bank expects to further improve its asset quality, effectively enhance its risk resilience, and strengthen corporate governance through the Proposed Disposal, thereby laying a more solid foundation for overall stable operations. This will further enhance its comprehensive competitiveness and promote sustainable development. The Bank has the right to transfer its assets flexibly in batches within the term and scope of the Proposed Mandate through the Proposed Mandate.

Therefore, the Directors of the Bank, including independent non-executive Directors, believe that the Proposed Disposal is entered into on normal commercial terms in the usual and ordinary course of business of the Bank, which is fair and reasonable and in the interests of the Bank and its Shareholders as a whole.

## **GENERAL**

### **Information on the Bank**

The Bank is a joint stock company incorporated in the PRC with limited liability on December 30, 2005, and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 9668). The Bank is principally engaged in banking business in the PRC.

### **Information on potential transferees**

#### **Information on China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司)**

China Cinda Asset Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability (stock code of Hong Kong Stock Exchange: 1359). It is principally engaged in distressed asset management and provides customized financial solutions and differentiated asset management services to its clients through the synergistic operation of its diversified business platforms. The ultimate beneficial owner of China Cinda Asset Management Co., Ltd. is the Ministry of Finance, which is a third party independent of the Bank and its connected persons.

#### **Information on China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司)**

China Orient Asset Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability. It is principally engaged in comprehensive financial services including asset management, insurance, banking, securities, trust, credit rating, and overseas business. The ultimate beneficial owner of China Orient Asset Management Co., Ltd. is the Ministry of Finance, which is a third party independent of the Bank and its connected persons.

#### **Information on China Great Wall Asset Management Co., Ltd. (中國長城資產管理股份有限公司)**

China Great Wall Asset Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability. It is principally engaged in comprehensive financial services including distressed asset management, asset management, banking, securities, insurance, trust, leasing, and investment. The ultimate beneficial owner of China Great Wall Asset Management Co., Ltd. is the Ministry of Finance, which is a third party independent of the Bank and its connected persons.

### **Information on China CITIC Financial Asset Management Co., Ltd. (中國中信金融資產管理股份有限公司)**

China CITIC Financial Asset Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability (stock code of Hong Kong Stock Exchange: 2799). It is principally engaged in financial services including distressed asset management, asset management, banking, securities, trust, financial leasing, investment, futures, and consumer finance. The ultimate beneficial owner of China CITIC Financial Asset Management Co., Ltd. is CITIC Group Corporation (which is held as to 100% by the State Council of the People's Republic of China), which is a third party independent of the Bank and its connected persons.

### **Information on Tianjin Binhai Zhengxin Asset Management Co., Ltd. (天津濱海正信資產管理有限公司)**

Tianjin Binhai Zhengxin Asset Management Co., Ltd. is a company incorporated in the PRC with limited liability. It is principally engaged in acquisition and disposal of bulk distressed assets of financial companies. The ultimate beneficial owner of Tianjin Binhai Zhengxin Asset Management Co., Ltd. is Mr. Feng Hui (馮暉), who is a third party independent of the Bank and its connected persons.

### **Information on Tianjin JR**

Tianjin JR is a company incorporated in the PRC with limited liability on April 25, 2016 and is principally engaged in asset management; financial, legal and risk management consultancy and advisory business. The ultimate beneficial owner of Tianjin JR is the State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government (天津市人民政府國有資產監督管理委員會). Tianjin TEDA International Holding (Group) Co., Ltd. (天津市泰達國際控股(集團)有限公司) is held as to 53% by TEDA Investment Holding Co., Ltd., a substantial Shareholder of the Bank which holds 20.61% equity interest in the Bank as at the date of this announcement, and as to 47% indirectly by its subsidiary, Tianjin TEDA Industrial Group Co., Ltd. (天津泰達實業集團有限公司). Tianjin TEDA International Holding (Group) Co., Ltd. holds approximately 6.7657% equity interest in Tianjin Financial Investment and Services Group Co., Ltd.\* (天津津融投資服務集團有限公司), which in turn holds 55.5% equity interest in Tianjin JR. The State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government directly or indirectly holds an aggregate of 89.634% equity interest in Tianjin Financial Investment and Services Group Co., Ltd. (excluding the equity interest held by Tianjin TEDA International Holding (Group) Co., Ltd.). Bangxin Assets Management Co., Ltd. (邦信資產管理有限公司) holds 20% equity interest in Tianjin JR, and its ultimate beneficial owner is China Orient Asset Management Co., Ltd. For its details, please refer to "Information on China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司)" mentioned hereinabove. Tianjin Juntai Enterprise Management Co., Ltd (天津駿泰企業管理有限公司) holds 19.5% equity interest in Tianjin JR, and its ultimate beneficial owner is Far East Horizon Limited, which is a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3360) specializing in provision of innovative financial solutions to its customers. Tianjin Dongjiang Port Industry City Investment Group Co., Ltd. (天津東疆港產城投資集團有限公司) holds 5% equity interest in Tianjin JR, and its ultimate beneficial owner is the Administration Committee of Tianjin Dongjiang Comprehensive Bonded Zone, a government agency.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors of the Bank, having made all reasonable enquiries, China Cinda Asset Management Co., Ltd., China Orient Asset Management Co., Ltd., China Great Wall Asset Management Co., Ltd., China CITIC Financial Asset Management Co., Ltd., Tianjin JR and Tianjin Binhai Zhengxin Asset Management Co., Ltd. and their ultimate beneficial owners are third parties independent of the Bank and its connected persons.

## **LISTING RULES IMPLICATIONS**

Based on the amount of the Initial Minimum Consideration, as one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Disposal exceed 75%, the Proposed Disposal constitutes a very substantial disposal of the Bank under Chapter 14 of the Listing Rules, and thus is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, a series of transactions should be aggregated and treated as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As a potential transferee of the Proposed Disposal and the transferee of the Previous Assets Transfer may be the same and the nature of the transactions is the same, if the Proposed Disposal is finally determined to be conducted with Tianjin JR, the Proposed Disposal shall be aggregated with the Previous Assets Transfer under the Previous Assets Transfer Agreement. Accordingly, as one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions under the Proposed Disposal as aggregated under the Listing Rules exceed 75%, the Proposed Disposal constitutes a very substantial disposal of the Bank under Chapter 14 of the Listing Rules, and thus is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, no Director has a material interest in the approval of the transaction under the Proposed Disposal and the Proposed Mandate. Therefore, no Director would be required to abstain from voting on the Board resolutions approving the Proposed Disposal and the Proposed Mandate.

According to the trading rules of the Equity Exchange, the transferor shall have completed its internal necessary decision-making procedures (including the approval procedure by the Shareholders' general meeting) at the time of submitting the application for the asset transfer. Therefore, the Bank will not be able to seek the approval by the Shareholders' general meeting after the entering into of the Assets Transfer Agreement in accordance with the provisions of Chapter 14 of the Listing Rules. Accordingly, the Board will seek the prior approval of the Proposed Disposal and the Proposed Mandate by the Shareholders' general meeting. The Directors consider that the prior submission of the Proposed Disposal and the Proposed Mandate for approval by the Shareholders' general meeting will allow for greater flexibility and efficiency for the transaction and ensure the smooth implementation of the transaction, which is also in the interests of the Bank and the Shareholders of the Bank as a whole. Upon approval by the Shareholders' general meeting, the Bank expects to complete the public tender process and enter into the relevant Assets Transfer Agreement during the Mandate Validity Period and seeks to complete as early as possible by the end of December 2024.

The Company will convene the Shareholders' general meeting to consider and, if thought fit, approve, among other things, the Proposed Mandate to be granted in advance for the Directors to enter into and complete the Proposed Disposal through the public tender.

As no existing Shareholder has any material interest in the Proposed Disposal and the Proposed Mandate, no Shareholder would be required to abstain from voting on the resolutions approving the Proposed Disposal and the Proposed Mandate to be proposed at the Shareholders' general meeting.

As additional time is required by the Bank to prepare the information to be included in the circular, a circular containing, among other things, (i) further information of the Proposed Mandate and the Proposed Disposal; (ii) financial information of the Group; (iii) unaudited financial information of the Transferred Assets; (iv) unaudited pro forma financial information of the Group upon disposal of the Transferred Assets; (v) a notice of the Shareholders' general meeting; and (vi) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before August 31, 2024.

**The terms of the public tender have yet to be finalized and therefore may be subject to further change. Completion of the potential disposal is subject to Shareholders' approval and the completion of the public tender process. The potential disposal may or may not proceed. Therefore, Shareholders and potential investors of the Bank should exercise caution when dealing in the securities of the Bank. The Company will make further announcement(s) in compliance with the Listing Rules as and when appropriate or required.**

## DEFINITIONS

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

“Assets Transfer Agreement”	the assets transfer agreement(s) proposed to be entered into between the Bank and the final transferee in relation to the Proposed Disposal for the disposal of the Transferred Assets in batches
“Bank”	CHINA BOHAI BANK CO., LTD. (渤海銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability on December 30, 2005, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 9668)
“Board”	the board of directors of the Bank
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration to be paid by the potential transferee to the Bank in relation to the Proposed Disposal
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	the ordinary share(s) issued by the Bank with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“Equity Exchange”	a comprehensive equity exchange institution or platform legally established
“Group”	the Bank and its subsidiary

“H Share(s)”	the overseas listed foreign share(s) issued by the Bank with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed and traded on the Hong Kong Stock Exchange
“HK\$” or “HKD” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Initial Minimum Consideration”	details of the definition of Initial Minimum Consideration are set out in the description under the heading “Consideration” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mandate Validity Period”	one year from the date of approval of the Proposed Disposal and the Proposed Mandate by the Shareholders’ general meeting
“Ministry of Finance”	the Ministry of Finance of the People’s Republic of China
“PRC”	the People’s Republic of China
“Previous Assets Transfer”	disposal of the Previous Transferred Assets by the Bank to Tianjin JR and the related transactions contemplated under the Previous Assets Transfer Agreement
“Previous Assets Transfer Agreement”	the Previous Assets Transfer Agreement entered into between the Bank and Tianjin JR in relation to the Previous Assets Transfer on March 8, 2024
“Previous Transferred Assets”	the assets sold by the Bank to Tianjin JR under the Previous Assets Transfer Agreement
“Proposed Disposal”	the proposed disposal of the Transferred Assets by the Bank through public tender in batches by single-account transfer or batch transfer within the scope of the Proposed Mandate and the Mandate Validity Period
“Proposed Mandate”	a general mandate proposed to be granted in advance to the Directors (or their delegates) by the Shareholders at the Shareholders’ general meeting to proceed with and complete the Proposed Disposal through public tender, with a validity period of one year from the date of approval by the Shareholders’ general meeting

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and administration Commission of the PRC
“Share(s)”	the Domestic Share(s) and H Share(s)
“Shareholder(s)”	the holder(s) of the Shares
“Shareholders’ general meeting”	the Shareholders’ general meeting or any adjournment thereof to be held by the Bank to consider and approve, among other things, the Proposed Disposal and the Proposed Mandate
“Tianjin JR”	Tianjin JR Assets Management Co., Ltd (天津津融資產管理有限公司), a company incorporated in the PRC with limited liability on April 25, 2016
“Transferred Assets”	the assets to be sold by the Bank in batches under the Assets Transfer Agreement (details are set out in the description under the heading “Transferred Assets” in this announcement), including the transferred principal amount, the corresponding interest penalties and the judicial fees disbursed

By order of the Board  
**CHINA BOHAI BANK CO., LTD.**  
**WANG Jinhong**  
*Chairman*

Tianjin, the PRC  
July 19, 2024

*As at the date of this announcement, the Board comprises Mr. WANG Jinhong, Mr. QU Hongzhi and Mr. DU Gang as executive Directors; Mr. AU Siu Luen, Ms. YUAN Wei, Mr. DUAN Wenwu, Mr. HU Aimin and Mr. ZHANG Yunji as non-executive Directors; and Mr. MAO Zhenhua, Mr. MU Binrui, Mr. TSE Yat Hong, Mr. ZHU Ning and Mr. SHUM Siu Hung Patrick as independent non-executive Directors.*