

10 September 2025

To: The independent board committee of Jilin Jiutai Rural Commercial Bank Corporation Limited[#]

Dear Sir/Madam,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and the Delisting, details of which are set out in the Composite Document dated 10 September 2025 jointly issued by the Offeror and the Bank to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

Reference is made to the Announcement dated 3 July 2025 jointly made by the Offeror and the Bank in relation to the Offers and the Delisting.

On 3 July 2025, the Offeror and the Bank jointly announced that (i) CICC, on behalf of the Offeror, will make a voluntary conditional general cash offer to acquire all of the issued H Shares at the H Share Offer Price of HK\$0.70 per H Share and, (ii) the Offeror will make a voluntary conditional general cash offer to acquire all of the issued Domestic Shares at the Domestic Share Offer Price of RMB0.63 per Domestic Share. Subject to the H Share Offer becoming unconditional (including, amongst others, the approval of the Delisting by the Shareholders at the Extraordinary General Meeting and the approval of the Delisting by the Independent H Shareholders at the H Share Class Meeting), the Bank will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules.

The Independent Board Committee comprising Mr. Zhang Yusheng, Mr. Wu Shujun, Mr. Zhang Lixin, Ms. Wang Ying, Mr. Fong Wai Kuk Dennis, Ms. Jin Xiaotong, Mr. Sun Jiafu, Mr. An Mingyou and Mr. Yin Xiaoping (being all the non-executive Directors and the independent non-executive Directors who have no direct or indirect interest in the Offers) has been formed to advise the Independent Shareholders as to (i) whether the Offers are fair and reasonable so far as the Independent Shareholders are concerned and as to the acceptance of the Offers; and (ii) whether the Delisting is fair and reasonable so far as the Independent Shareholders are concerned and as to the voting of the Delisting. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers and the Delisting. The appointment of Gram Capital as the Independent Financial Adviser has been approved by the Independent Board Committee.

INDEPENDENCE

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

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations as provided to us by the Directors and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors and the Offeror (where applicable), for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror (where applicable) in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Bank, its advisers and/or the Directors and the Offeror (where applicable), which have been provided to us. Our opinion is based on the Directors' and the Offeror's representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Offers and the Delisting. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules and Rule 2 of the Takeovers Code.

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

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

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

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

(1) Background and terms of the Offers

The Offers will be made on the following basis:

For each H Share, the H Share Offer Price HK\$0.70 in cash

**For each Domestic Share, the Domestic Share Offer Price
which is equivalent to the H Share Offer Price at the Exchange Rate RMB0.63 in cash**

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

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

(2) Information of the Bank

2.1 Financial information of the Group

With reference to the “LETTER FROM THE BOARD” of the Composite Document (the “Board Letter”), the Bank is a joint stock company incorporated in the PRC with limited liability. It is a rural commercial bank in Northeast China. The Bank is engaged in a range of banking services and related financial services.

As at the Latest Practicable Date, the issued share capital of the Bank is 5,074,191,569 Shares divided into 966,501,112 H Shares and 4,107,690,457 Domestic Shares.

At the request of the Bank, trading in the H shares of the Bank on the Hong Kong Stock Exchange has been suspended with effect from 9:00 a.m. on 12 March 2025. According to the announcement of the Bank dated 11 June 2025, the Bank received a letter issued by the Stock Exchange on 6 June 2025, which sets out the guidance for the resumption of trading in the Bank’s shares on the Stock Exchange (the “Resumption Guidance”). According to the Resumption Guidance, the Bank shall (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (ii) demonstrate the Bank’s compliance with Rule 13.24 of the Listing Rules; and (iii) inform the market of all material information for the Shareholders and investors to appraise the Bank’s position. The Stock Exchange requests the Bank to remedy the issues causing its trading suspension of H shares and fully comply with the Listing Rules to the satisfaction of the Stock Exchange before trading in its H shares is allowed to resume.

As at the Latest Practicable Date, the Bank’s annual report for the year ended 31 December 2023 (the “2023 Annual Report”) contained the latest audited financial information of the Bank available to the public. The Bank’s profit warning announcement dated 3 July 2025 and the sections headed “1. Summary of Financial Information of the Group” and “FY2024 Management Accounts” in Appendix II to the Composite Document contained the latest unaudited full year financial information of the Bank available to the public, both of which were reported on by auditors of the Bank and the Independent Financial Adviser pursuant to Rule 10 of the Takeovers Code.

Financial Performance

Set out below is a summary of the consolidated financial information of the Group for the three years ended 31 December 2024, as extracted from the 2023 Annual Report and the sections headed “1. Summary of Financial Information of the Group” and “FY2024 Management Accounts” in Appendix II to the Composite Document:

	For the year ended 31 December 2024 ("FY2024") RMB'000 (unaudited)	For the year ended 31 December 2023 ("FY2023") RMB'000 (audited)	For the year ended 31 December 2022 ("FY2022") RMB'000 (audited)	Change from FY2023 to FY2024 Approximate %	Change from FY2022 to FY2023 Approximate %
Interest income	11,774,970	13,674,478	14,382,696	(13.89)	(4.92)
Interest expenses	(7,420,043)	(8,146,121)	(7,867,756)	(8.91)	3.54
Net interest income	4,354,927	5,528,357	6,514,940	(21.23)	(15.14)
Operating income	4,220,932	5,514,324	6,597,067	(23.46)	(16.41)
Operating expenses	(3,129,573)	(3,338,883)	(3,266,177)	(6.27)	2.23
Impairment losses on assets, net of reversals	(3,660,778)	(2,109,824)	(1,360,882)	73.51	55.03
Operating profit	(2,569,419)	65,617	1,970,008	N/A	(96.67)
Profit/(Loss) for the year	(1,901,601)	178,421	1,672,025	N/A	(89.33)

FY2022 vs FY2023

As illustrated in the above table, the Group's net interest income was approximately RMB5,528 million for FY2023, representing a decrease of approximately 15.14% as compared to that for FY2022, which was mainly due to the decrease in interest income and increase in interest expenses. With reference to the 2023 Annual Report, the decrease in the Group's interest income was primarily due to the decrease in the average yield on interest-earning assets from 5.65% for FY2022 to 5.15% for FY2023, partially offset by the increase in the average balance of interest-earning assets from RMB254,605 million for FY2022 to RMB265,479 million for FY2023. Meanwhile, the increase in the Group's interest expenses was mainly due to the increase in interest expenses on deposits from customers, from RMB7,153 million for FY2022 to RMB7,628 million for FY2023, as results of the increase in the average balance of deposits from customers from RMB221,803 million for FY2022 to RMB235,352 million for FY2023 and the increase in the average cost on such liabilities from 3.22% for FY2022 to 3.24% for FY2023.

Along with the decrease in the Group's net interest income, the Group's recorded operating income of approximately RMB5,514 million for FY2023, representing a decrease of approximately 16.41% as compared to that for FY2022.

The Group's operating expenses increased by approximately 2.23% from approximately RMB3,266 million for FY2022 to approximately RMB3,339 million for FY2023. This was primarily due to increases in staff costs, general management and administrative expenses and taxes and surcharges, which was partially offset by decreases in property and equipment expenses, according to the 2023 Annual Report.

The Group's impairment losses on assets, net of reversals, increased by approximately 55.03% from approximately RMB1,361 million for FY2022 to approximately RMB2,110 million for FY2023. With reference to the 2023 Annual Report, such increase in impairment loss on assets, net of reversal was mainly due to the Group's enhancement of the refined risk management assessment in response to the changes in external market environment, and the increase in asset impairment losses on loans and advances to customers, financial assets at fair value through other comprehensive income, financial assets at amortised cost and interest receivable, which was partially offset by the decrease in impairment losses on deposits with banks and other financial institutions, placements with banks and other financial institutions, credit commitments and financial guarantees, other receivables and repossessed assets.

The Bank recorded significant decreases of approximately 96.67% and 89.33% in operating profit and net profit for FY2023 as compared to those for FY2022. The aforesaid decreases were primarily due to (i) the decrease in net interest income; and (ii) the increase in impairment losses on assets, net of reversals, as stated above.

FY2023 vs FY2024

As illustrated in the above table, the Group's net interest income was approximately RMB4,355 million for FY2024, representing a decrease of approximately 21.23% as compared to that for FY2023. As advised by the Directors, such decrease in the Group's net interest income was mainly due to the decrease in interest income (as a result of decrease in average yield and balance on interest-earning assets), as partially offset by decrease in interest expenses (mainly due to decrease in interest expenses on deposits from customers as results of decrease in the average balance of deposits from customers and the average cost on such liabilities).

The Group's operating income was approximately RMB4,221 million for FY2024, representing a decrease of approximately 23.46% as compared to that for FY2023, which was mainly due to the decrease in net interest income for FY2024.

The Group's operating expenses decreased by approximately 6.27% from approximately RMB3,339 million for FY2023 to approximately RMB3,130 million for FY2024. As advised by the Directors, such was mainly due to decrease in employee costs, property and equipment expenses, taxes and surcharges, which was partially offset by the increase in general management and administrative expenses.

The Group's impairment losses on assets, net of reversals, increased by approximately 73.51% from approximately RMB2,110 million for FY2023 to approximately RMB3,661 million for FY2024. As advised by the Directors, such increase in impairment losses on assets, net of reversals, was mainly due to the Group's enhanced foresight and sophistication in risk management assessment in response to changes in the external market environment.

The Bank recorded loss of approximately RMB1,902 million for FY2024 as opposite to net profit of approximately RMB178 million for FY2023. As advised by the Directors, such turnaround was primarily due to (i) the decrease in net interest income; and (ii) the increase in impairment losses on assets, net of reversals, as stated above.

The Bank did not distribute any dividend to the Shareholders for the four years ended 31 December 2024.

1H2024 vs 1H2025

According to the Bank's profit warning announcement dated 19 August 2025 and section headed "5. MATERIAL CHANGE IN RESPECT OF THE GROUP" of Appendix II to the Composite Document which contained, among other things, net loss of the Group for 1H2025 which was reported on by auditors of the Bank and the Independent Financial Adviser pursuant to Rule 10 of the Takeovers Code:

The Group's operating income for the six months ended 30 June 2025 ("1H2025") increased by approximately 27.83% as compared to that for the six months ended 30 June 2024 ("1H2024"), mainly due to increase in net interest income and net gains arising from investment securities. The Group recorded net loss of approximately RMB898 million for 1H2025 as opposite to net profit of approximately RMB130 million for 1H2024. Such turnaround was primarily due to (a) increase of approximately 312.42% in the Group's impairment losses on assets, net of reversals, for 1H2025 as compared to that for 1H2024, mainly due to the fact that the Group has strengthened its forward-looking and refined risk management assessment in response to changes in the external market environment, as partially offset by (b) increase in operating income as aforementioned; and (c) income tax credit recorded for 1H2025 as opposite to income tax expenses recorded for 1H2024.

2.2 Industry overview

Overview

According to the National Bureau of Statistics of the PRC, the gross domestic products of the PRC grew continuously over the last five full years (2020 to 2024), and reaching approximately RMB134,908 billion in 2024. This represented a compound annual growth rate ("CAGR") of approximately 6.9% for the corresponding period.

From 2020 to 2024, in line with the continuous development of national economy, the PRC's disposable income per capita grew from RMB32,189 in 2020 to RMB41,314 in 2024, representing a CAGR of approximately 6.4%.

We also conducted research on relevant statistics and governmental policies related to the PRC banking industry, as summarised below.

Set out below are the total loans and total deposits of depository financial institutions in the PRC from 2020 to 2024 (as at the end of period), published by the People's Bank of China ("PBOC"):

	2024	2023	As at the end of 2022	2021	2020
Total loans (RMB' billion)	260,122	237,712	220,011	198,835	178,409
CAGR			9.89%		
Total deposits (RMB' billion)	309,109	285,035	265,043	239,242	218,895
CAGR			9.01%		

As shown in the table above, the total loans and total deposits of depository financial institutions in the PRC continuously increased from 2020 to 2024, with CAGR of approximately 9.89% and 9.01% respectively. This indicated a continuous expansion in the business scale of depository financial institutions in the PRC.

Set out below are the total assets of the PRC's commercial banks and PRC's rural financial institutions from 2020 to 2024 (as at the end of period), published by the National Financial Regulatory Administration of the PRC ("NFRA"):

	2024	2023	As at the end of 2022	2021	2020
Total assets of the PRC's commercial banks (RMB' billion)	372,525	347,493	312,752	281,766	258,998
CAGR			9.51%		
Total assets of the PRC's rural financial institutions (RMB' billion)	57,908	54,611	50,010	45,629	41,531
CAGR			8.67%		

Notes:

1. Rural financial institutions include rural commercial banks, rural cooperative banks, rural credit union, and new-type rural financial institutions.
2. the above figures were extracted from monthly statistics as set out in 銀行業總資產、總負債(月度)(Monthly total assets and total liabilities of Banking Industry*) for 2020 to 2024.

As shown in the table above, the total assets of the PRC's commercial banks increased from approximately RMB258,998 billion as at the end of 2020 to approximately RMB372,525 billion as at the end of 2024, representing a CAGR of approximately 9.51%. The PRC's rural financial institutions recorded total assets of approximately RMB57,908 billion as at the end of 2024, representing a CAGR of approximately 8.67% as compared to that as at the end of 2020. The PRC's rural financial institutions in terms of total assets (as at the end of period) followed the same trend as those of PRC's commercial banks from 2020 to 2024. Nevertheless, the CAGR of total assets of the PRC's rural financial institutions was lower than that of the PRC's commercial banks for the corresponding period.

Set out below are the net profit of the PRC's commercial banks and PRC's rural commercial bank on a full-year basis from 2020 to 2024, published by the NFRA:

	2024	2023	2022	2021	2020
Net profit of the PRC's commercial banks (RMB' billion)					
	2,324	2,378	2,303	2,184	1,939
CAGR			4.62%		
Net profit of the PRC's rural commercial banks (RMB' billion)					
	216	239	208	213	195
CAGR			2.49%		

As shown in the table above, the net profit of the PRC's commercial banks moved in a generally increasing trend with a CAGR of approximately 4.62% from 2020 to 2024 (with a slight year-on-year decrease from 2023 to 2024 (*Note*)). Among the PRC's commercial banks, the PRC's rural commercial bank recorded net profit of approximately RMB216 billion for 2024, representing a CAGR of approximately 2.49% as compared to that for 2020.

Note: According to (i) 《商業銀行主要監管指標情況表》 (Commercial Banks' Key Regulatory Indicators Status Report*) for years from 2020 to 2024 as published by the NFRA; and (ii) an article titled 《商業銀行2024年第四季度淨息差降至1.52% – 業界預計未來仍面臨下行壓力》 (Commercial Banks' Net Interest Margin Drops to 1.52% in the fourth quarter of 2024 – Industry Expects Continued Downward Pressure Ahead*) as published on the official website of the Securities Daily (www.zqrb.cn) (being a specialised securities news platform supervised by the Economic Daily Press (a deputy ministerial-level institution directly under the Central Committee of the Communist Party of China and overseen by the Publicity Department of the Central Committee of the PRC) and an authorized platform designated by the China Securities Regulatory Commission for disclosing securities market information in the PRC), the decrease in the net profit of the PRC's commercial banks from 2023 to 2024 might be mainly driven by (a) continuously narrowing net interest margin; and (b) sluggish growth in loan volumes.

Banking related matters

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

- In November 2021, the China Banking and Insurance Regulatory Commission of the PRC (which was replaced by NFRA in 2023) promulgated 《關於銀行業保險業支持高水平科技自立自強的指導意見》 (the Guidance on Supporting High-level Technological Self-reliance for the Banking and Insurance Industry*), pursuant to which the PRC government indicated that commercial banks should prioritize high-level technology companies as key service recipients and strive for continuous growth in the balance of loans to technology enterprises.
- In July 2022, the China Banking and Insurance Regulatory Commission of the PRC (which was replaced by the NFRA in 2023) issued 《關於進一步推動金融服務製造業高質量發展的通知》 (the Notice on Further Promoting High-quality Development of Financial Services for the Manufacturing Industry*), which outlined that banking institutions should enhance their financial support, and strategically align with, key sectors such as advanced manufacturing, strategic emerging industries, and the transformation and upgrading of traditional industries.
- In December 2022, the China Banking and Insurance Regulatory Commission of the PRC (which was replaced by the NFRA in 2023) issued 《銀行保險機構消費者權益保護管理辦法》 (the Measures for the Protection of Consumer Rights and Interests in Banking and Insurance Institutions*), which indicated that banking and insurance institutions should integrate consumer rights protection into corporate governance, corporate culture development, and business development strategies to ensure that consumer rights protection are integrated throughout all stages of the operation.
- In March 2023, the PRC's national legislature approved a plan to reform the institutions of the State Council of the PRC. The State Council of the PRC announced that it would abolish China Banking and Insurance Regulatory Commission and move its functions, powers and responsibilities to a national financial regulator (i.e. the NFRA). Certain functions of the PBOC and the China Securities Regulatory Commission would be transferred to the NFRA as well.
- In November 2023, the NFRA published 《商業銀行資本管理辦法》 (the Commercial Bank Capital Management Measures*), which outlined that commercial banks should develop differentiated capital regulatory systems to align capital regulations with the size and complexity of their operations, thereby reducing compliance costs for small and medium-sized banks.
- In November 2023, the PBOC, the NFRA, the China Securities Regulatory Commission, the State Administration of Foreign Exchange of the PRC, the National Development and Reform Commission of the PRC, the Ministry of Industry and Information

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

- As part of the basket of fiscal stimulus measures announced by the Ministry of Finance in October 2024, the Ministry of Finance would issue special sovereign bonds and proceeds raised will be injected into large state-owned commercial banks to replenish core tier-1 capital and enhance their ability to withstand risks and extend credit, with the ultimate goal of supporting the development of the real economy of the PRC. On 31 March 2025, the Ministry of Finance announced that it will issue the first batch of special sovereign bonds with amounts of RMB500 billion, to actively support core tier-1 capital replenishment for four large state-owned commercial banks.
- On 7 May 2025, PBOC announced to intensify macroeconomic adjustments by rolling out a package of monetary policy measures, consisting of three major categories (i.e. quantitative policies, price-based policies and structural policies) covering ten specific actions. The quantitative policies aim to increase medium- to long-term liquidity supply through measures such as reserve requirement ratio cuts to maintain ample market liquidity. The price-based policies aim to lower policy interest rates and reduce rates on structural monetary policy tools (i.e., the interest rates on central bank relending facilities to commercial banks) and concurrently cut housing provident fund loan rates to ease borrowing costs. The structural policies aim to enhance existing structural monetary policy tools and introduce new policy instruments to support key areas such as technological innovation, consumer spending expansion, inclusive finance (microfinance and SME support), etc.

Our conclusion

In conclusion, the PRC's banking industry has experienced growth in recent years, which was driven by the national economic development, urbanization and growing middle class. Key indicators such as total loans and deposits of depository financial institutions and total assets of the PRC's commercial banks have shown consistent upward trends from 2020 to 2024. Similarly, the net profit of the PRC's commercial banks has followed a generally increasing trajectory (with a slight year-on-year decrease from 2023 to 2024). Government initiatives, such as the promotion of high-level technological self-reliance, support for the manufacturing sector, and enhanced consumer protection measures, have further strengthened the industry's foundation. The establishment of the NFRA in 2023 also streamlined regulatory oversight, fostering a more structured and efficient banking environment.

Looking ahead, while challenges such as regulatory compliance and market competition persist, the long-term prospects of the PRC's banking industry (which is supported by urbanization, a growing middle class, and ongoing economic reforms and underpinned by its critical role in supporting the nation's economic development) remain positive.

(3) Information on the Offeror

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

The Offeror is a joint stock company incorporated in the PRC with limited liability on 16 February 2015. Its scope of business includes: investment and operation in financial and quasi-financial businesses including banking, securities, insurance, trust, funds, guarantees, bills, financial leasing, technology finance, financial assets, technology, property rights transactions, quasi-financial business investment and operation; investment consulting and investment management (excluding wealth management, illegal fundraising, illegal deposit-taking, lending, and similar activities); real estate development, sales, leasing, management primarily and financial back-office services for the construction of regional financial centers. (Projects subject to approval according to law may only commence business activities after obtaining approval from the relevant authorities.) The controlling shareholder of the Offeror is the Jilin Province Department of Finance, which directly and indirectly holds approximately 98.94% of the shares in the Offeror as at the Latest Practicable Date. The remaining shares in the Offeror are held by Changfa Financial Holding (Changchun) Co., Ltd., a state-owned enterprise, which directly holds approximately 1.06% of the shares in the Offeror as at the Latest Practicable Date.

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

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

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

No right of compulsory acquisition

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

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

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

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

As stated in the Letter from CICC, the H Shares have been trading within the price range of HK\$0.33 to HK\$0.50 in the 46 trading days in 2025 before the suspension of the trading of H Shares. In 2025, the global economy sought a moderate recovery amid uncertainties. From 2 January to 11 March 2025 (i.e. the Last Trading Date), the Hang Seng Index rose by 21.19%, and the Hang Seng Mainland Banks Index increased by 14.59%. During the same period, however, the Bank's stock price declined, with a cumulative drop of 6.82%. Its daily average trading volume accounted for only 0.13% of its total issued H Shares, reflecting a decline in investors' confidence. As a result, the ability of the Bank to raise funds effectively from the equity market is extremely limited and the current listing status no longer provides a viable financing channel to the Bank's operations. The trading volume in the H Shares has also been low. The average daily trading volume of the H Shares in the last 90 trading days, 180 trading days and 360 trading days up to and including the Last Trading Date represents only around 0.08%, 0.04% and 0.02% of the total issued H Shares. Upon implementation of the Offers, the H Shares will be delisted from the Stock Exchange, which is conducive to saving costs associated with compliance and maintaining of the listing status and provides room for operational adjustment. The Bank will also be able to redeploy the relevant resources used for maintaining the listing status to the Bank's operations.

The financial performance and position of the Bank has been deteriorating in recent years, and given the challenging business conditions, it is considered that the Bank would be better positioned for strategic adjustments to be made to its business, structure, and/or direction as a private company, as may be needed based on actual circumstances. Given that trading in the H Shares of the Bank on the Stock Exchange has been suspended since 12 March 2025, it is impossible for the H Shareholders to monetise their H Shares through the Stock Exchange. As disclosed in the Bank's announcement dated 31 March 2025, the publication of its audited financial results for the financial year ended 31 December 2024 will be delayed due to additional time being required for the Bank to collect and collate the information and documents for the auditor of the Bank to complete the audit procedures, and for the Bank to sort the basis for impairment provision for certain loans, and as at the Latest Practicable Date, the Bank and its auditors still could not ascertain the definitive timetable for publishing the aforementioned financial results. The Offeror believes that the Offers, if implemented, will provide an excellent opportunity for all Shareholders to exit their investment in a company which has remained suspended as at the date of the Latest Practicable Date and to invest the monies received in alternative investments with higher liquidity.

Our analyses

Liquidity of the H Shares

We performed a trading liquidity analysis of the H Shares for the period from 1 March 2024 to and including the Last Trading Date (the “Share Review Period”), being approximately one year before the suspension of trading in the H Shares which is a commonly adopted period for analysis. The number of trading days per month, the average daily number of the H Shares traded per month, and the respective percentages of the average daily H Shares’ trading volume for each month as compared to the total number of issued H Shares (which were all held by the Independent H Shareholders) as at the Latest Practicable Date during the Share Review Period are tabulated below:

Month	Number of trading days	Average daily trading volume (the “Average Volume”) Number of H Shares	The Average Volume to total number of issued H Shares as at the Latest Practicable Date (Note 1) Approximate %
2024			
March	20	214	0.000022
April	20	2,620	0.000271
May	21	2,849	0.000295
June	19	474	0.000049
July	22	524	0.000054
August	22	7	0.000001
September	19	Nil	Nil
October	21	53,984	0.005586
November	21	156,456	0.016188
December	20	231,059	0.023907
2025			
January	19	349,195	0.036130
February	20	571,215	0.059101
March	7	5,972,757	0.617977

Source: the Stock Exchange’s website

Notes:

1. Based on 966,501,112 H Shares in issue as at the Latest Practicable Date. All H Shares were held by the Independent H Shareholders as at the Latest Practicable Date.
2. Trading in the H Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 12 March 2025. Accordingly, the number of trading days for March 2025 was 7.

As illustrated from the table above, the H Shares' trading volume was extremely thin during the Share Review Period, with the respective Average Volumes being nil to approximately 0.617977% of the total number of issued H Shares at the end of each respective month/period.

Trading status of the H Shares

As mentioned above:

- (a) Trading in the H Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 12 March 2025.
- (b) According to the Resumption Guidance, the Bank shall (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (ii) demonstrate the Bank's compliance with Rule 13.24 of the Listing Rules; and (iii) inform the market of all material information for the Shareholders and investors to appraise the Bank's position. The Stock Exchange requests the Bank to remedy the issues causing its trading suspension of H shares and fully comply with the Listing Rules to the satisfaction of the Stock Exchange before trading in its H shares is allowed to resume.

As disclosed in the Bank's announcement dated 31 March 2025, the publication of its audited financial results for the financial year ended 31 December 2024 will be delayed due to additional time being required for the Bank to collect and collate the information and documents for the auditor of the Bank to complete the audit procedures, and for the Bank to sort the basis for impairment provision for certain loans. As advised by the Directors, as at the Latest Practicable Date, the Bank and its auditor were still carrying out the aforesaid audit procedures, which are pending for feedback from and documents to be provided by certain clients of the Bank. The timeframe of such clients to provide feedback and documents is highly uncertain as it depends on their degree of co-operation and time required for documents preparation. Accordingly, as at the Latest Practicable Date, the Bank still could not ascertain the definitive timetable for publishing the aforementioned financial results. Given the above, it is uncertain as to when the Bank could remedy the issues causing its trading suspension of the H shares, fulfil the Resumption Guidance and fully comply with the Listing Rules to the satisfaction of the Stock Exchange and resume trading in the H Shares.

If the Bank is delisted by the Stock Exchange, the Bank's H Shares held by the H Shareholders will become securities that are not listed on the Stock Exchange or any other stock exchange and may severely impact the liquidity of such securities.

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

In light of the above and that, although the long-term prospects of the PRC's banking industry remains positive as illustrated under the section headed "2.2 Industry Overview" above, the Group's financial performance had deteriorated over recent years as illustrated under the section headed "2.1 Financial information of the Group" above, we consider that the Offers represent an exit opportunity for the Independent Shareholders.

(6) The Offer Price

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

6.1 H Share Offer Price comparison

The H Share Offer Price of HK\$0.70 under the H Share Offer:

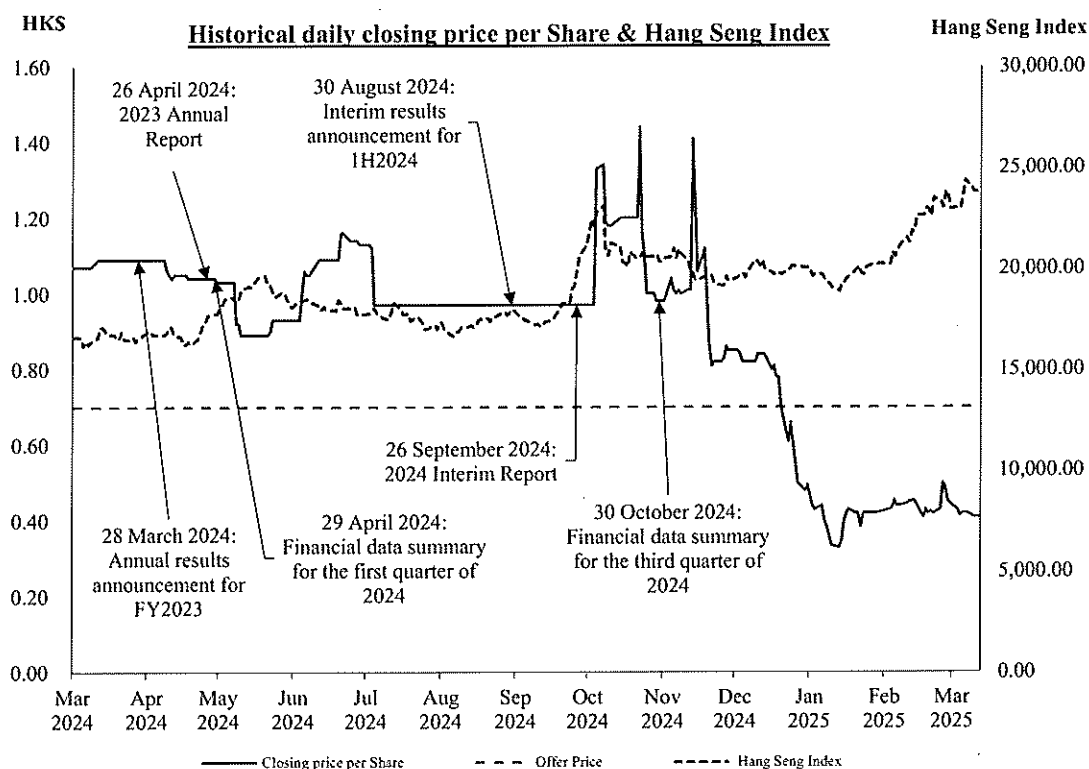
- (a) represents a premium of approximately 70.73% over the closing price of HK\$0.41 per H Share as quoted on the Stock Exchange on the Last Trading Date (the "**LTD Premium**");
- (b) represents a premium of approximately 60.86% over the average closing price of approximately HK\$0.44 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date (the "**30-days Premium**");
- (c) represents a premium of approximately 42.93% over the average closing price of approximately HK\$0.49 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date (the "**60-days Premium**");
- (d) represents a premium of approximately 8.82% over the average closing price of approximately HK\$0.64 per H Share, being the average closing price of the H Shares as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Date (the "**90-days Premium**");
- (e) represents a discount of approximately 80.15% (the "**2023 NAV Discount**") to the audited net asset value per Share attributable to the ordinary shareholders of the Bank (the "**NAV per Share**") as at 31 December 2023 (based on a total of 5,074,191,569 Shares in issue and the Group's audited total shareholders' equity attributable to the Bank of approximately HK\$17,774,174,042 as at 31 December 2023 (extracted from the Bank's annual report for FY2023, based on the central parity rate of RMB to HK\$ as at 29 December 2023 as announced by the PBOC));
- (f) represents a discount of approximately 80.16% to the unaudited NAV per Share of approximately HK\$3.53 as at 30 June 2024 (based on a total of 5,074,191,569 Shares in issue and the Group's unaudited total shareholders' equity attributable to the Bank of

approximately HK\$17,933,733,620 as at 30 June 2024 (extracted from the Bank's interim report for the six months ended 30 June 2024, based on the central parity rate of RMB to HK\$ as at 28 June 2024 as announced by the PBOC)); and

- (g) represents a discount of approximately 77.00% (the "2024 NAV Discount", together with the 2023 NAV Discount, the "NAV Discounts") to the unaudited NAV per Share of approximately HK\$3.05 as at 31 December 2024 (based on a total of 5,074,191,569 Shares in issue and the Group's unaudited total shareholders' equity attributable to the Bank of approximately RMB14,338,074,000 (equivalent to HK\$15,483,212,388 as at 31 December 2024, based on the central parity rate of RMB to HK\$ as at 31 December 2024 as announced by the PBOC)).

6.2 Historical price performance of the H Shares

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



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

Note: Trading in H Shares has been suspended with effect from 9:00 a.m. on 12 March 2025.

During the Share Review Period, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange were HK\$1.44 per H Share on 22 October 2024 and HK\$0.33 per H Share on 13 January 2025. The H Share Offer Price of HK\$0.70 is within the aforesaid closing prices range and represents (i) a discount of approximately 51.39% to the highest closing price of the H Shares; and (ii) a premium of approximately 112.12% over the lowest closing price of the H Shares, during the Share Review Period. In addition, the H Share Offer Price is above the daily closing prices of the H Shares for 51 consecutive trading days from 23 December 2024 up to and including the Last Trading Date.

From 1 March 2024 to 3 July 2024, the closing prices of the H Shares fluctuated between HK\$0.89 and HK\$1.16 per H Share, then remained at HK\$0.97 per H Share from 4 July 2024 until 3 October 2024. After a surge of approximately 37%, the closing price of H Shares rose to HK\$1.33 per H Share on 4 October 2024.

After the closing price of H Shares peaked sharply at HK\$1.44 per H Share on 22 October 2024 (a 20% increase from HK\$1.20 on 21 October 2024), it dropped to HK\$1.16 per H Share on 23 October 2024. Subsequently, the closing prices of the H Shares fluctuated between HK\$0.98 per H Share and HK\$1.10 per H Share until a steep climb to HK\$1.41 per H Share on 13 November 2024 (an approximate 40% increase from HK\$1.01 per H Share on 12 November 2024).

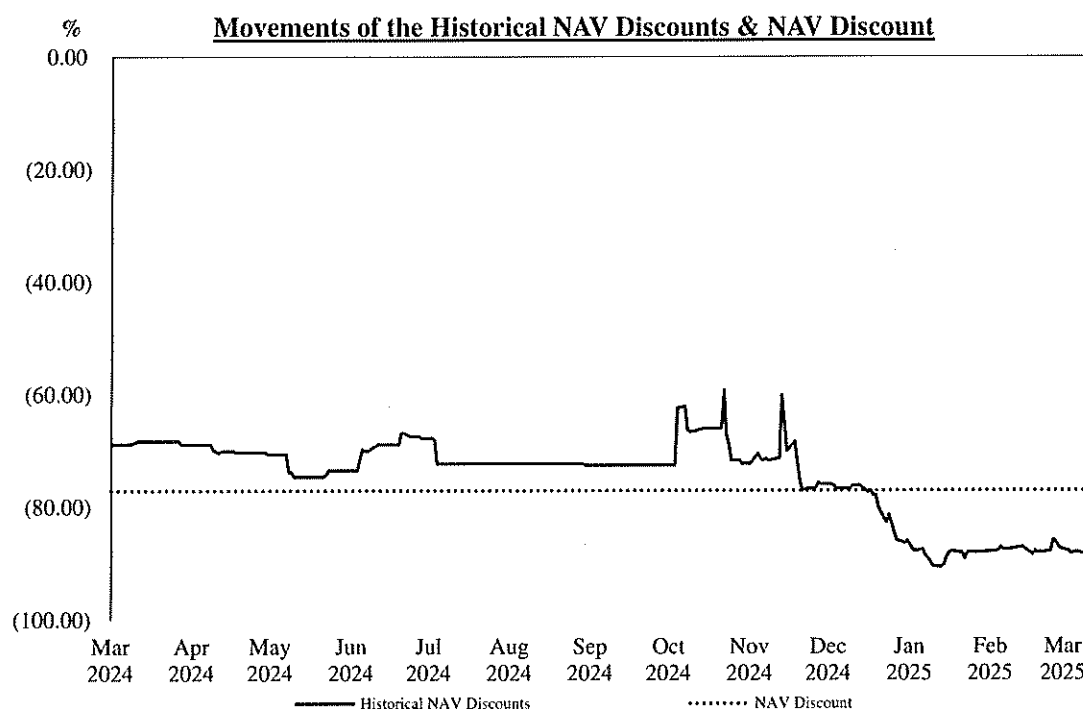
Thereafter, the closing prices of H Shares trended downward, ranging from HK\$1.25 per H Share to HK\$0.33 per H Share between 14 November 2024 and the Last Trading Date. As at the Last Trading Date, the closing price per H Share was HK\$0.41.

Apart from the boost in the PRC stock market at the end of September 2024 and beginning of October 2024 due to favourable policies promulgated by the PRC regulators/government, we did not identify any specific reason which caused the aforesaid movements of the closing price of the H Shares.

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

As mentioned above, the H Share Offer Price represents a discount of approximately 80.15% to the audited NAV per Share of the Bank as at 31 December 2023 (i.e. the 2023 NAV Discount) and a discount of approximately 77.00% to the unaudited NAV per Share of the Bank as at 31 December 2024 (i.e. the 2024 NAV Discount).

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



Notes:

As the Bank's interim results announcement for the six months ended 30 June 2023 was published before trading hours on 31 August 2023, the Bank's annual results announcement for FY2023 was published before trading hours on 28 March 2024 and the Bank's interim results announcement for the six months ended 30 June 2024 was published before trading hours on 30 August 2024:

1. The Historical NAV Discounts from 1 March 2024 to 27 March 2024 were calculated based on the daily H Share closing prices and the NAV per Share attributable to the ordinary shareholders of the Bank as at 30 June 2023.
2. The Historical NAV Discounts from 28 March 2024 to 29 August 2024 were calculated based on the daily H Share closing prices and the NAV per Share attributable to the ordinary shareholders of the Bank as at 31 December 2023.
3. The Historical NAV Discounts from 30 August 2024 to the Last Trading Date were calculated based on the daily H Share closing prices and the NAV per Share attributable to the ordinary shareholders of the Bank as at 30 June 2024.

As illustrated in the above chart, the Historical NAV Discounts ranged from approximately 59.26% to approximately 90.66% during the period from 1 March 2024 to the Last Trading Date (the “**NAV Discount Range**”), with average of approximately 74.64%. The NAV Discounts are within the NAV Discount Range during the Share Review Period and close to its average.

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

6.4 Comparison with other Comparable Banks

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

According to 銀行業金融機構法人名單 (List of Legal Entities of Banking Financial Institutions*) as published by NFRA on 17 March 2025 (the “BFI List”), banking financial institutions were categorized as policy banks, large state-owned commercial banks (國有大型商業銀行), joint stock commercial banks (股份制商業銀行), city commercial banks (城市商業銀行), rural commercial banks (農村商業銀行), foreign banks (外資法人銀行), etc..

As the Bank is classified as rural commercial bank according to the BFI List, we searched for rural commercial banks in the PRC listed on Stock Exchange for at least one full financial year for comparison. We only identified three rural commercial banks listed on the Stock Exchange. Given the aforesaid, we consider the number of comparable rural commercial banks were not sufficient for our analyses purpose and we extended our criteria to include both rural commercial banks and city commercial banks (which we considered to be comparable as both the rural commercial banks and city commercial banks were also known as 地方性法人銀行 (regional legal entity banks*)) according to the BFI List. We found 18 listed banks which met our selection criteria and they are exhaustive (the “Comparable Bank(s)”). As the Comparable Banks are banking institutions, all of which are classified as rural commercial banks or city commercial bank, we are of the view that the Comparable Banks are relevant for comparison.

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

Bank name (stock code)	Category of commercial banks	PBR (Note 1)	Market capitalization of shares as at the date of the Announcement (Note 2) HK\$' billion
Guangzhou Rural Commercial Bank Co., Ltd. (1551)	Rural commercial bank	0.23	23.92
Chongqing Rural Commercial Bank Co., Ltd. (3618 & SH601077)	Rural commercial bank	0.52	87.18
Dongguan Rural Commercial Bank Co., Ltd. (9889)	Rural commercial bank	0.38	24.80
Zhongyuan Bank Co., Ltd. (1216)	City commercial bank	0.13	13.89
Bank of Tianjin Co., Ltd. (1578)	City commercial bank	0.21	15.84
Jiangxi Bank Co., Ltd. (1916)	City commercial bank	0.10	5.06
Bank of Chongqing Co., Ltd. (1963 & SH601963)	City commercial bank	0.45	37.13
Luzhou Bank Co., Ltd. (1983)	City commercial bank	0.51	6.82
Shengjing Bank Co., Ltd. (2066)	City commercial bank	0.14	11.79
Bank of Gansu Co., Ltd. (2139)	City commercial bank	0.11	3.99
Jinshang Bank Co., Ltd. (2558)	City commercial bank	0.26	8.00
Huishang Bank Corporation Limited (3698)	City commercial bank	0.29	48.75
Bank of Qingdao Co., Ltd. (3866 & SZ002948)	City commercial bank	0.52	29.51
Harbin Bank Co., Ltd. (6138)	City commercial bank	0.07	4.62
Bank of Jiujiang Co., Ltd. (6190)	City commercial bank	0.24	10.76
Bank of Zhengzhou Co., Ltd. (6196 & SZ002936)	City commercial bank	0.18	18.65
Bank of Guizhou Co., Ltd. (6199)	City commercial bank	0.33	17.51
Weihai Bank Co., Ltd. (9677)	City commercial bank	0.65	17.58
Maximum		0.65	
Minimum		0.07	
Average		0.30	
Median		0.25	
The Offers		0.23 (Note 3)	3.55 (Note 4)

Notes:

1. *The PBRs of the Comparable Banks were calculated based on (i) their respective equity attributable to shareholders as stated in their respective latest published annual results or interim results or quarterly results (where applicable); (ii) the central parity rate of RMB to HK\$ as at the 31 December 2024 or 31 March 2025 as announced by the PBOC; and (iii) their respective closing prices as quoted on the Stock Exchange and total issued shares as at the date of the Announcement.*
2. *The market capitalization of the Comparable Banks was calculated based on (i) their respective total issued A shares, H shares and domestic shares (where applicable); (ii) their respective closing prices as quoted on the Stock Exchange and the Shanghai Stock Exchange or the Shenzhen Stock Exchange (where applicable) as at the date of the Announcement; and (iii) the Exchange Rate.*
3. *The implied PBR of the Offers was calculated based on (i) the H Share Offer Price; (ii) the Group's unaudited total shareholders' equity attributable to the Bank as at 31 December 2024; and (iii) the central parity rate of RMB to HK\$ as at the 31 December 2024 as announced by the PBOC.*
4. *The market value implied by the Offers was calculated based on (i) number of H Shares and Domestic Shares in issue as at the Latest Practicable Date; and (ii) the Offer Price.*

The PBRs of the Comparable Banks ranged from approximately 0.07 times to approximately 0.65 times, with an average of approximately 0.30 times and medium of 0.25 times. The implied PBR of the Offers is within the said PBR range of the Comparable Banks and lower than the average and median of the PBRs of the Comparable Banks. We also noted that all the Comparable Banks were profit making for FY2024.

6.5 Comparison with other privatisation transactions

We searched for privatisation transactions by way of general offer or scheme of arrangement which (i) were announced by listed companies in Stock Exchange during the period from 1 March 2024 up to and including the Latest Practicable Date (being approximately one year before the date of the Last Trading Date and up to and including the Latest Practicable Date, which is adequate to provide a fair and representative sample for analysis of recent privatisation transactions); (ii) the relevant court's sanction of scheme or the required acceptance level having been achieved, as the case maybe, during the aforesaid period; and (iii) excluded transactions involving share consideration in part or solely in whole. As consideration shares have different investment values which were based on factors such as background and industry of the subject company, the share price performance and liquidity, we consider share consideration and cash consideration are different in nature, and privatisation transactions with share consideration is not directly comparable with those with cash consideration.

We found 17 privatisation cases (the "Privatisation Cases") which met the aforesaid criteria for comparison and they are exhaustive.

Premium/(discount) of the offer price over/to average closing price per share for					
Company name (previous stock code)	The date of announcement of respective privatization	Last full trading day	Last full 30 trading days	Last full 60 trading days	Last full 90 trading days
		(Note 1)	(Note 2)	(Note 2)	(Note 2)
		Approximate %	Approximate %	Approximate %	Approximate %
Beijing Properties (Holdings) Limited (925)	17 June 2025	250.00	222.09	200.11	183.91
Tam Jai International Co. Limited (2217)	17 February 2025	75.56	96.27	99.58	98.35
Vesync Co., Ltd (2148)	27 December 2024	33.33	44.37	36.09	36.42
Pentamaster International Limited (1665)	19 December 2024	56.25 (Note 3)	53.37 (Note 3)	50.83 (Note 3)	51.46 (Note 3)
Ronshine Service Holding Co., Ltd (2207)	22 November 2024	15.38	(5.86)	1.90	(6.48)
Beijing Capital Grand Limited (1329)	28 October 2024	46.55	41.75	47.85	65.44
CM Hi-Tech Cleanroom Limited (2115)	14 October 2024	17.92	31.30	40.04	41.88
Doyen International Holdings Limited (668)	2 September 2024	78.57	81.13	86.14	112.90
Samson Holding Ltd. (531)	16 July 2024	77.78 (Note 3)	150.09 (Note 3)	186.74 (Note 3)	184.45 (Note 3)
Canvest Environmental Protection Group Company Limited (1381)	7 July 2024	20.69	20.85	21.77	21.78
A8 New Media Group Limited (800)	12 June 2024	162.77	186.62	186.13	173.88
CPMC Holdings Limited (906)	7 June 2024	4.95	6.76	5.74	5.35
Huafa Property Services Group Company Limited (982)	27 May 2024	30.63	70.45	82.24	88.88
ESR Group Limited (1821)	13 May 2024	30.00	53.13	43.95	36.89
L'Occitane International S.A. (973)	29 April 2024	30.77 (Note 3)	49.93 (Note 3)	60.80 (Note 3)	60.51 (Note 3)
Kin Yat Holdings Limited (638)	18 April 2024	33.33	51.53	53.57	55.86
SciClone Pharmaceuticals (Holdings) Limited (6600)	28 March 2024	33.90 (Note 3)	47.47 (Note 3)	47.93 (Note 3)	48.69 (Note 3)

Company name (previous stock code)	The date of announcement of respective privatization	Premium/(discount) of the offer price over/to average closing price per share for			
		Last full trading day	Last full 30 trading days (Note 2)	Last full 60 trading days (Note 2)	Last full 90 trading days (Note 2)
		(Note 1) Approximate %	Approximate %	Approximate %	Approximate %
Maximum		250.00	222.09	200.11	184.45
Minimum		4.95	(5.86)	1.90	(6.48)
Average		58.73	70.66	73.61	74.13
Median		33.33	51.53	50.83	55.86
The Bank		70.73	60.86	42.93	8.82

Source: the Stock Exchange's website

Notes:

1. The premium of cancellation price over closing price per share on last full trading day prior to the publication of initial announcement in relation to the respective privatisation, as disclosed in the respective privatisation documents.
2. The premium of cancellation price over average closing price per share on the 30/60/90 consecutive full trading days prior to the publication of initial announcement in relation to the respective privatisation, as disclosed in the respective privatisation documents.
3. The premium as represented by the cancellation price of the relevant Privatisation Cases were calculated based on their respective last full trading day prior to the irregular trading volumes and price movement in the relevant shares.

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

6.6 Our conclusion on Offer Price

Despite that the H Share Offer Price represents the NAV Discounts of approximately 77.00% and approximately 80.15%, taking into account the following factors:

- (i) the H Share Offer Price of HK\$0.70 is within the closing prices range during the Share Review Period and above the daily closing prices of the H Shares for 51 consecutive trading days from 23 December 2024 up to and including the Last Trading Date;

- (ii) the NAV Discounts are within the NAV Discount Range during the Share Review Period and H shares of all Comparable Banks were traded below their respective latest available consolidated NAV attributable to owners of such Comparable Banks per share during the Share Review Period;
- (iii) the implied PBR of the Offers is within the PBR range of the Comparable Banks; and
- (iv) as analysed above, the LTD Premium, the 30-days Premium, the 60-days Premium and 90-days Premium fall within the relevant ranges of the Privatisation Cases,

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

RECOMMENDATION

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

The Offers:

- (i) although the long-term prospects of the PRC's banking industry remains positive as illustrated under the section headed "2.2 Industry Overview" above, the Group's financial performance was deteriorated in recent years as illustrated under the section headed "2.1 Financial information of the Group" above (i.e. a significant decrease in profit from FY2022 to FY2023, turnaround to loss-making for FY2024 and turnaround to loss-making for 1H2025). In contrast, all the Comparable Banks were profit-making for FY2024;
- (ii) the Bank did not declare any dividends for the four years ending 31 December 2024. In addition, as at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid to the Shareholders generally. The Bank has confirmed that it does not intend to announce, declare, make or pay any dividend, other distribution or return of capital during the Offer Period;
- (iii) trading in the H Shares of the Bank on the Stock Exchange has been suspended on 12 March 2025 (it is uncertain as to when the Bank could remedy the issues causing its trading suspension of the H shares, fulfil the Resumption Guidance and fully comply with the Listing Rules to the satisfaction of the Stock Exchange and resume trading in the H Shares) and there is no open market for the Independent Domestic Shareholders to trade their Domestic Shares. The Offers represent an exit opportunity for the Independent Shareholders;
- (iv) as discussed in the sub-section headed "Liquidity of the H Shares" above, the H Shares' trading volume was extremely thin during the Share Review Period. Even if trading of H Shares resumed, the disposal of a large number of H Shares by Independent H Shareholders in the open market may have adverse impact on the price of H Shares; and

(v) despite that the H Share Offer Price represents the NAV Discounts of approximately 77.00% and approximately 80.15%, the Offer Price is fair and reasonable after taking into account the following factors:

- the H Share Offer Price of HK\$0.70 is within the closing prices range during the Share Review Period and above the daily closing prices of the H Shares for 51 consecutive trading days from 23 December 2024 up to and including the Last Trading Date.
- the NAV Discounts are within the NAV Discount Range during the Share Review Period and H shares of all Comparable Banks were traded below their respective latest available consolidated NAV attributable to owners of such Comparable Banks per share during the Share Review Period;
- the implied PBR of the Offers is within the PBR range of the Comparable Banks; and
- the LTD Premium, the 30-days Premium, the 60-days Premium and 90-days Premium fall within the relevant ranges of the Privatisation Cases,

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

The Delisting:

- as aforementioned, the Offers represent an exit opportunity for the Independent Shareholders and the Offers (including the Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned. Nevertheless, the H Share Offer is subject to the fulfilment of Conditions, including but not limited to (a) the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose; and (b) the passing of a special resolution by not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the Extraordinary General Meeting approving the Delisting (these two conditions may not be waived in any event);
- the Domestic Share Offer is subject to the H Share Offer becoming or being declared unconditional in all respects. This condition cannot be waived in any event; and
- upon implementation of the Offers, the H Shares will be delisted from the Stock Exchange, which is conducive to saving costs associated with compliance and maintaining of the listing status and providing room for operational adjustment. The Bank will also be able to redeploy the relevant resources used for maintaining the listing status to the Bank's operations. The Shareholders (including those who do not opt to accept the Offers) will be indirectly benefited from the Group's cost reduction and resources redeployment,

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

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

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

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

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

Yours faithfully,
For and on behalf of
Gram Capital Limited



Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

* For identification purpose only

Jilin Jiutai Rural Commercial Bank Corporation Limited is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.