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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)**

## **DISCLOSEABLE TRANSACTION TRANSFER OF ASSETS OF THE BANK**

### **Assets Transfer Agreement**

The board of directors hereby announces that the Bank has awarded the Transferred Assets to Tianjin JR at a transaction price of approximately RMB3,967 million by on-site tender on March 8, 2024. The Bank, as the seller, entered into the Assets Transfer Agreement with Tianjin JR, as the purchaser, on March 8, 2024 for the disposal of the Transferred Assets.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the transactions under the Assets Transfer and the entering into of the Assets Transfer Agreement is more than 5% but less than 25%, the Assets Transfer and the entering into of the Assets Transfer Agreement constitute discloseable transactions of the Bank under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The board of directors hereby announces that the Bank has awarded the Transferred Assets to Tianjin JR at a transaction price of approximately RMB3,967 million by on-site tender on March 8, 2024. The Bank, as the seller, entered into the Assets Transfer Agreement with Tianjin JR, as the purchaser, on March 8, 2024 for the disposal of the Transferred Assets.

## **ASSETS TRANSFER AGREEMENT**

Major terms of the Assets Transfer Agreement are set out below:

### **Date**

March 8, 2024

### **Parties**

- (1) The Bank, as the seller; and
- (2) Tianjin JR, as the purchaser

## **TRANSFERRED ASSETS**

Pursuant to the Assets Transfer Agreement, the Bank agrees to sell and Tianjin JR agrees to purchase all rights, interests and benefits in respect of the Transferred Assets from but excluding the Benchmark Date, 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.

## **CONSIDERATION AND PAYMENT TERMS**

The Consideration payable by Tianjin JR to the Bank for the Assets Transfer is approximately RMB3,967 million. The Consideration was determined after on-site tendering with reference to the original value of the Transferred Assets and appraised value of the Transferred Assets as at the Benchmark Date of RMB3,856 million. The above appraised value was calculated by adopting the comprehensive factor analysis method to perform a value analysis of the debt. The comprehensive factor analysis method is a way of comprehensively determining the potential value of the debt by accessing the debt-related information, analyzing the debtor's credit file, and combining investigation findings and collected materials. Based on the on-site field survey, debt file and other information, the major factors affecting the value of the debt were identified and analyzed, while the relevant information of the debtor and guarantor were investigated and analyzed, the value of the debt was determined through a comprehensive approach.

The Consideration shall be paid by Tianjin JR in a lump sum to the designated account of the Bank within 30 days after the Assets Transfer Agreement becomes effective.

## **COMPLETION**

With effect from the date of payment of the full Consideration by Tianjin JR, 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 Tianjin JR 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.

## **INFORMATION ON TRANSFERRED ASSETS**

The Transferred Assets consist of credit assets of the Bank, with medium-to-long-term loans and short-term loans accounting for approximately 79.1% and 20.9% of the Transferred Assets, respectively.

As at the Benchmark Date (i.e. September 20, 2023), the principal and interest and other debts of the Transferred Assets amounted to approximately RMB5,667 million, and the provision made for impairment of assets amounted to approximately RMB1,726 million, which have been included in the financial statements of the Bank for the six months ended June 30, 2023. Therefore, as at the Benchmark Date, the net amount of principal and interest and other debts of the Transferred Assets, net of the above-mentioned impairment provision, was approximately RMB3,941 million.

The unaudited profit before tax and net profit after tax of the Transferred Assets for the year ended December 31, 2022 were RMB322 million and RMB242 million, respectively. The unaudited loss before tax and net loss after tax of the Transferred Assets for the year ended December 31, 2023 were RMB257 million and RMB193 million, respectively.

## **FINANCIAL EFFECT OF ASSETS TRANSFER ON THE BANK**

Based on the data as of the Benchmark Date, it is estimated that, subject to the Assets Transfer, (i) the Consideration receivable by the Bank is approximately RMB3,967 million; and (ii) the principal amount of the Transferred Assets and the corresponding interest thereon and other debts are approximately RMB5,667 million, and the net amount of principal and interest and other debts, net of the above-mentioned impairment provision, is approximately RMB3,941 million. The above estimation may differ from the actual financial impacts of the Assets Transfer.

## **USE OF PROCEEDS FROM ASSETS TRANSFER**

The proceeds from the Assets Transfer amounting to approximately RMB3,967 million are intended to be used for the Bank's general working capital, which will also 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 ASSETS TRANSFER AGREEMENT**

Following the Assets Transfer, the Bank expects to improve its asset quality, enhance its risk resilience, and strengthen corporate governance, thereby laying the foundation for overall stable operations. This will further enhance its comprehensive competitiveness and promote sustainable development. Therefore, the Directors of the Bank, including independent non-executive Directors, believe that the Assets Transfer Agreement is entered into on normal commercial terms over the usual and ordinary course of business of the Bank, which is fair and reasonable and in interest of the Bank and its shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **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 were listed on the Main Board of the Stock Exchange (Stock Code: 9668). The Bank is principally engaged in banking business in the PRC.

### **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. 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, 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, 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. (天津市泰達國際控股(集團)有限公司) 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.

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, Tianjin JR and its ultimate beneficial owner are third parties independent of the Bank and its connected persons.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the transactions under the Assets Transfer and the entering into of the Assets Transfer Agreement is more than 5% but less than 25%, the Assets Transfer and the entering into of the Assets Transfer Agreement constitute discloseable transactions of the Bank under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Assets Transfer”	disposal of the Transferred Assets by the Bank to Tianjin JR and the related transactions contemplated under the Assets Transfer Agreement
“Assets Transfer Agreement”	the assets transfer agreement entered into between the Bank and Tianjin JR in relation to the Assets Transfer on March 8, 2024

“Bank” or “our 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 Stock Exchange (Stock Code: 9668)
“Benchmark Date”	September 20, 2023
“Board” or “Board of Directors”	the Board of Directors of the Bank
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the consideration payable by Tianjin JR to the Bank in respect of the Assets Transfer
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	the Domestic Share(s) and H Share(s)

“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 to Tianjin JR under the Assets Transfer Agreement

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

Tianjin, China  
March 8, 2024

*As at the date of this announcement, the Board of the Bank comprises Mr. WANG Jinhong, Mr. QU Hongzhi, Mr. DU Gang and Mr. ZHAO Zhihong 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. CHI Guotai, Mr. MU Binrui, Mr. TSE Yat Hong, Mr. ZHU Ning and Mr. SHUM Siu Hung Patrick as independent non-executive Directors.*