晋商银行
Jinshang Bank

JINSHANG BANK CO., LTD.*
晉商銀行股份有限公司*

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

(Stock Code: 2558)

DISCLOSEABLE TRANSACTION IN RELATION TO THE CAPITAL CONTRIBUTION TO JINSHANG XIAOJIN FURTHER ANNOUNCEMENT

Reference is made to the announcement of the Bank dated June 18, 2026 (the "**Announcement**") in connection with the capital contribution to Jinshang Xiaojin. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcement. The Bank would like to provide further information in relation to the Capital Contribution.

BASIS OF DETERMINATION OF THE CONSIDERATION

The consideration for 500,000,000 newly issued shares of RMB730,000,000 was determined after arm's length negotiations between the Bank and Jinshang Xiaojin after taking the following into consideration:

(i) Pursuant to the Administrative Measures for Consumer Finance Companies (《消費金融公司管理辦法》), Jinshang Xiaojin is required to increase its minimum registered capital to no less than RMB1.0 billion. Given its current registered capital of RMB500.0 million (divided into 500,000,000 shares with a par value of RMB1.00 each), Jinshang Xiaojin shall issue at least 500,000,000 new shares to reach the RMB1.0 billion registered capital threshold;

(ii) According to the Interim Measures for the Management of the Assessment of State-owned Assets of Enterprises (《企業國有資產評估管理暫行辦法》), (a) an enterprise shall conduct a valuation for its relevant assets if it undertakes any of the following activities: "... (4) a change in the proportion of equity held by state-owned shareholders in a non-listed company"; and (b) when an enterprise engages in economic activities that are subject to asset valuation, the asset valuation results shall serve as the reference basis for pricing. Accordingly, as the Capital Contribution will result in a material change in the shareholding percentage held by the state-owned shareholders of Jinshang Xiaojin, a valuation (the "**Valuation**") of the entire shareholders' equity of Jinshang Xiaojin was mandatorily required. The Valuation shall serve as the pricing basis for the Capital Contribution;

(iii) Jinshang Xiaojin should hold a shareholders' general meeting to approve the increase of registered capital pursuant to the Company Law of the People's Republic of China and its articles of association. According to the communications between Jinshang Xiaojin and its shareholders, the shareholders agreed that the Bank could subscribe the newly issued shares of Jinshang Xiaojin at a price determined based on the valuation of the entire shareholders' equity of Jinshang Xiaojin; and

(iv) The appraised value of the entire shareholders' equity as at the benchmark date (i.e. May 31, 2026) was RMB731.0 million, which corresponds to RMB1.462 per share based on the 500,000,000 shares of Jinshang Xiaojin. As approved by the shareholders' general meeting of Jinshang Xiaojin, the Valuation served as the basis for the consideration of the Capital Contribution, which was accordingly determined to be RMB1.46 per share.

The fair value of the total shareholders' equity of Jinshang Xiaojin will increase from approximately RMB731.0 million to approximately RMB1,461.0 million, comprising the pre-money appraised value of approximately RMB731.0 million and the new capital contribution of RMB730.0 million by the Bank. Accordingly, the enlarged fair value of shareholders' equity attributable to the Bank's 70% shareholding upon completion of the Capital Contribution would be approximately RMB1,022.7 million.

As disclosed in the Announcement, Jinshang Xiaojin is the only institution in Shanxi Province that holds a nationwide consumer finance license. The total assets of the consumer finance industry have exceeded RMB1.7 trillion, indicating market potential and the inherent value of consumer finance licenses. Leveraging its advantage of nationwide business operations, Jinshang Xiaojin's business can serve as an effective complement to the Bank's existing operations.

Taking the above-mentioned into consideration, the Directors consider that the consideration for the Capital Contribution is fair and reasonable.

FURTHER DETAILS ON THE CAPITAL CONTRIBUTION

The Administrative Measures for Consumer Finance Companies do not specify a rigid implementation timeline for complying the requirements for minimum registered capital to be no less than RMB1.0 billion and the shareholding percentage of the major contributor to be no less than 50%. Nevertheless, the regulatory authorities have issued rectification requirements annually to Jinshang Xiaojin, urging Jinshang Xiaojin's compliance with such requirements. To meet the regulatory compliance requirements, Jinshang Xiaojin has been making effort to advance the capital increase and share issuance, which, however, requires extensive communications with its shareholders and the regulatory authorities. After reaching a consensus with all shareholders, the capital increase plan, under which the Bank acts as the subscriber, was confirmed. In June 2026, the shareholders' general meeting of Jinshang Xiaojin considered and approved the resolution on the change of structure.

Pursuant to Article 213 of the Company Law of the People's Republic of China, any premium generated from the issuance of shares at a price exceeding their par value (being RMB1.00 per share for Jinshang Xiaojin) shall be allocated to the company's capital reserve. Accordingly, out of the total Capital Contribution, RMB500.0 million was credited to the registered capital of Jinshang Xiaojin, and the remaining premium of RMB230.0 million was credited to its capital reserve.

The shareholding structures of Jinshang Xiaojin before and after the Capital Contribution are as follows:

	Before the Capital Contribution		After the Capital Contribution	
Name of Shareholder	**Number of shares**	**Shareholding percentage**	**Number of shares**	**Shareholding percentage**
The Bank	200,000,000	40.0%	700,000,000	70.0%
Shanghai Rongda Investment Management Co., Ltd. (上海榮大投資管理有限公司)	125,000,000	25.0%	125,000,000	12.5%
Tianjin Yuxin Yicheng Technology Co., Ltd. (天津宇信易誠科技有限公司)	100,000,000	20.0%	100,000,000	10.0%
Shanxi Huayu Commercial Development Co., Ltd. (山西華宇商業發展股份有限公司)	40,000,000	8.0%	40,000,000	4.0%
Shanxi Meitehao Chain Supermarket Co., Ltd. (山西美特好連鎖超市股份有限公司)	35,000,000	7.0%	35,000,000	3.5%
Total	**500,000,000**	**100.0%**	**1,000,000,000**	**100.0%**

Shanghai Rongda Investment Management Co., Ltd. (上海榮大投資管理有限公司) was established in 2014. It is primarily engaged in investment management and asset management business. It is wholly owned by Shanxi Construction Investment Group Co., Ltd. (山西建設投資集團有限公司), which is 90% directly and indirectly held by the State-owned Assets Supervision and Administration Commission of the Shanxi Provincial People's Government (山西省人民政府國有資產監督管理委員會) and 10% held by the Department of Finance of Shanxi Province (山西省財政廳).

Tianjin Yuxin Yicheng Technology Co., Ltd. (天津宇信易誠科技有限公司) was established in 2009. Its main business is software and electronic information technology development. It is wholly owned by Beijing Yuxin Technology Group Co., Ltd. (北京宇信科技集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300674).

Shanxi Huayu Commercial Development Co., Ltd. (山西華宇商業發展股份有限公司) was established in 1997. Its business scope covers the wholesale and retail of food, daily chemicals, clocks, watches, and glasses, as well as catering services and children's entertainment services. It is held as to 82.0% (directly and indirectly) by Shanxi Huayu Group Co., Ltd. (山西華宇集團有限公

司), with the remaining 18.0% held in aggregate by 24 individuals. In turn, Shanxi Huayu Group Co., Ltd. is held as to 78.7% by Zhao Huashan (趙華山), 20.0% by Zhao Yisong (趙屹松), and 1.3% in aggregate by six other individuals.

Shanxi Meitehao Chain Supermarket Co., Ltd. (山西美特好連鎖超市股份有限公司) was established in 1997. Its principal businesses include the sale of food and the wholesale of daily necessities and agricultural products. The company is currently undergoing bankruptcy restructuring and is under the entrusted management of Shennong Investment (Shanxi) Co., Ltd. (神農投資(山西)有限責任公司).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all other existing shareholders of Jinshang Xiaojin and their respective ultimate beneficial owners are third parties independent of the Bank and its connected persons (as defined in the Listing Rules).

FURTHER DETAILS ON THE VALUATION

Selection Criteria for Comparable Transactions

For the purpose of determining the fair value of the entire shareholders' equity in Jinshang Xiaojin, the Independent Valuer conducted a comprehensive market screening. The Independent Valuer identified a total of 31 consumer finance companies in the market, among which 13 undertook capital increases between 2023 and 2025. To ensure accurate benchmarking, the Independent Valuer applied objective criteria to screen this initial pool, ultimately excluding 10 transactions and selecting three highly comparable transactions. The specific exclusion criteria and underlying rationale adopted by the Independent Valuer to exclude such transactions are set out below:

(i) Exclusion of five cases involving non-cash capital increases and pro-rata cash contributions:

Five consumer finance company capital increase transactions were excluded, as their methods of capital increase (i.e., pro-rata capital injection by existing shareholders, or capitalization of capital reserves and unappropriated profits) differ from the method adopted by Jinshang Xiaojin.

(1) No fair market issue price available in such cases

The capital increases of three consumer finance companies were implemented through the capitalization of capital reserves or undistributed profits. Such capital increases represent an internal capitalization of reserves or undistributed profits which do not involve pricing for the shares converted from the capital reserves or undistributed profits. The conversion ratio is a result agreed by shareholders, rather than being determined through arm's-length, market-based negotiations that reflect the target company's future cash flows, operating risks, and growth prospects. Such cases generally do not require an independent valuation on the fair market value of the consumer finance company. Therefore, there is no available valuation pricing for the purpose of calculating their respective P/B multiple in these three cases.

Two consumer finance companies were injected with cash by their existing shareholders on a pro-rata basis or a substantially pro-rata basis at their respective par value, RMB1.00 per share. As the issue price in such cases is based on the par value of the shares rather than a valuation on the fair market value of the consumer finance company, it could not serve as a reference basis for the Valuation.

Furthermore, unlike cases with "material change in shareholding", the shareholding ratios of all shareholders remained unchanged before and after these transactions, no equity dilution or transfer of economic interests occurred. Consequently, there was no commercial necessity to conduct an independent valuation to verify the fairness of the pricing, and no such valuation was obtained by the Independent Valuer. As a result, there is no appraised value per share available from these cases to serve as a reference.

In the Capital Contribution, the Bank's shareholding in Jinshang Xiaojin will increase from 40% to 70%, resulting in a significant dilution for the other shareholders, which materially impacts the overall shareholding structure of Jinshang Xiaojin. Because such transaction directly affects the interests of all shareholders, the consideration must reflect a fair value based on an independent valuation which should be approved by the shareholders of Jinshang Xiaojin. Therefore, narrowing the selection of comparable transactions to cash capital increase cases that were led by major shareholders and involved significant changes in the shareholding structure yields consideration that serve as more relevant and reliable market evidence of fair value.

(2) Impact on the Valuation (Inability to serve as a reference)

As disclosed in the Announcement, the valuation of Jinshang Xiaojin depends on the determination of an applicable P/B multiple for Jinshang Xiaojin, which is equal to the average of the adjusted P/B multiples of the comparable companies. The adjusted P/B multiple for each comparable company is calculated by applying a series of adjustment factors to its base P/B multiple, which is derived from the ratio of the comparable companies' market value of price per share to their respective book value of equity per share. In the above five cases, no market value price per share of the comparable companies is available and therefore, no valid P/B multiples can be derived for the Valuation.

(ii) Exclusion of four cases due to different business models and differing shareholder resource endowments

Four consumer finance company capital increase transactions were excluded due to different business models. As a consumer finance company, Jinshang Xiaojin primarily relies on online customer acquisition whilst two of the four consumer finance companies primarily rely on offline customer acquisition. These two approaches differ significantly in terms of customer acquisition costs, operating leverage, and core risk exposures. Their fundamental business logic and risk-return characteristics lack comparability with the Capital Contribution.

In addition, two consumer finance companies out of these four companies are typical internet platform-affiliated consumer finance companies. They enjoy deep strategic synergies with their shareholders in terms of consumption scenarios, user traffic, data and technology. Their profit models and growth drivers are fundamentally different from those of Jinshang Xiaojin, which is led by a regional bank.

(iii) Exclusion of one case due to unavailable financial data

One transaction was excluded because the core financial information required for the valuation could not be obtained. Due to lack of data, it does not meet the fundamental prerequisites for comparable pricing analysis.

The Board's Assessment on the Valuation

The Board has thoroughly reviewed and assessed the selection of comparable transactions and the subsequent adjustments made to the P/B multiples by the Independent Valuer, and considers them to be fair and reasonable for the following reasons:

- **Selection of comparable transactions.** The Board reviewed the methodology used by the Independent Valuer to narrow down an initial pool of 13 candidate transactions. The Board is of the view that the screening criteria were objective and closely aligned with the target company's core profile. The transactions ultimately selected are highly comparable with the Capital Contribution.

- **P/B adjustments.** The Board reviewed the adjustments made to the P/B multiples, which appropriately account for differences in operating scale, profitability, growth potential, asset quality, and risk management between the target company and its peers in the comparable transactions. After reviewing the underlying data and quantitative metrics, the Board is of the view that (i) the valuation process complies with the Asset Valuation Practice Standards – Enterprise Value (《資產評估執業準則—企業價值》); and (ii) the final adjusted P/B multiple is prudent and reasonable, accurately reflecting the relative value of Jinshang Xiaojin.

Save as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement should be read in conjunction with the Announcement.

By order of the Board
Jinshang Bank Co., Ltd.*
Wang Qi
Executive Director and Joint Company Secretary

Taiyuan, July 23, 2026

As at the date of this announcement, the Board of Directors of the Bank comprises Ms. HAO Qiang, Mr. ZHANG Yunfei and Mr. WANG Qi as executive Directors; Mr. GAO Yurong, Mr. RONG Changqing, Mr. WANG Xiankui, Mr. LI Yang and Mr. WANG Jianjun as non-executive Directors; Mr. DUAN Qingshan, Ms. HU Zhihong, Mr. CHAN Ngai Sang Kenny, Mr. LIANG Yongming and Mr. WANG Liyan as independent non-executive Directors.

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