



Lufax Holding Ltd
陆金所控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6623)

(NYSE Stock Ticker: LU)

Executive Directors:

Mr. Yong Suk CHO (趙容爽)
(Chairman and Chief Executive Officer)
Mr. Gregory Dean GIBB (計葵生)
(Co-Chief Executive Officer)

Registered Office:

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Non-executive Directors:

Mr. Yonglin XIE (謝永林)
Ms. Xin FU (付欣)
Mr. Yuqiang HUANG (黃玉強)

*Head Office and Principal Place of
Business in the PRC:*

Building No. 6, Lane 2777
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Shanghai, PRC

Independent Non-executive Directors:

Mr. Rusheng YANG (楊如生)
Mr. Weidong LI (李偉東)
Mr. Xudong ZHANG (張旭東)
Mr. David Xianglin LI (李祥林)

*Principal Place of Business
in Hong Kong:*

5/F, Manulife Place
348 Kwun Tong Road, Kowloon
Hong Kong

September 27, 2024

*To the Independent Lufax Shareholders, the Lufax ADS Holders, the Lufax Optionholders and
the Lufax PSU Holders,*

Dear Sir or Madam,

**(1) MANDATORY UNCONDITIONAL CASH OFFERS (TRIGGERED BY
ELECTION OF LUFAX SPECIAL DIVIDEND) BY MORGAN STANLEY FOR
AND ON BEHALF OF THE JOINT OFFERORS (I) TO ACQUIRE ALL ISSUED
LUFAX SHARES AND LUFAX ADSs AND LUFAX SHARES AND LUFAX ADSs
TO BE ISSUED UNDER LUFAX 2014 SHARE INCENTIVE PLAN AND LUFAX
2019 PERFORMANCE SHARE UNIT PLAN (OTHER THAN THOSE ALREADY
OWNED BY THE OFFEROR GROUP) AND (II) TO CANCEL ALL
OUTSTANDING LUFAX OPTIONS;
AND
(2) LUFAX PSU ARRANGEMENT WITH RESPECT TO ALL UNVESTED
LUFAX PSUs**

INTRODUCTION

References are made to the Joint Announcement and the joint announcement of Lufax and the Offeror Group dated August 26, 2024 in relation to the satisfaction of pre-conditions of Lufax Offers.

The purpose of this letter is to provide you with, among others, further information relating to the Lufax Group.

MANDATORY UNCONDITIONAL CASH OFFERS

As a result of the election for scrip dividend by An Ke Technology and Ping An Overseas Holdings under the Lufax Scrip Dividend Scheme, the Joint Offerors are making a mandatory general offer for all the Lufax Offer Shares and Lufax ADSs pursuant to Rule 26 of the Takeovers Code and an appropriate offer for all outstanding Lufax Options and Unvested Lufax PSUs in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Lufax Options and Unvested Lufax PSUs. The Lufax Share Offers are made to the Independent Lufax Shareholders and Lufax ADS Holders, the Lufax Option Offer is made to the Lufax Optionholders and the Lufax PSU Arrangement is made to the Lufax PSU Holders.

Morgan Stanley, as the financial adviser to the Joint Offerors and for and on behalf of the Joint Offerors, is making the Lufax non-US Offer pursuant to Rule 26.1 of the Takeovers Code and the Lufax Option Offer pursuant to Rule 13.5 of the Takeovers Code on the following basis:

The Lufax Share Offers

For each Lufax Share	US\$1.127 in cash (for illustrative purposes, equivalent to approximately HK\$8.803)
For each Lufax ADS	US\$2.254 in cash (for illustrative purposes, equivalent to approximately HK\$17.606)

The offer prices of the Lufax Share Offers of US\$1.127 per Lufax Share and US\$2.254 per Lufax ADS are equal to the reference prices per Lufax Share and per Lufax ADS, respectively, under the Lufax Scrip Dividend Scheme. For further details, please refer to the Lufax Scrip Dividend Circular.

The Lufax Share Offers have been structured as two separate offers – the Lufax non-US Offer and the Lufax US Offer – in order to comply with differences in US and Hong Kong legal and regulatory requirements regarding withdrawal rights and settlement. The Lufax non-US Offer may be accepted by all Independent Lufax Shareholders, whether resident in Hong Kong or outside of Hong Kong. The Lufax US Offer may only be accepted by Lufax US Shareholders and Lufax ADS Holders, and Lufax ADS Holders (wherever such Lufax ADS Holders are located) may only tender in the Lufax US Offer. Under the Lufax US Offer, Lufax US

Shareholders and Lufax ADS Holders have the right to withdraw their tendered Lufax Shares or Lufax ADSs (as the case may be) until 4:00 a.m. on October 28, 2024 (New York time). By contrast, under the Lufax non-US Offer, there are no such withdrawal rights. Furthermore, those tendering into the Lufax US Offer are expected to receive payment by the Expected Last Payment Date, whereas those tendering into the Lufax non-US Offer will receive payment no later than seven (7) HK Business Days following the date of receipt of duly completed and valid acceptance, or by the Expected Last Payment Date, whichever is earlier.

The Lufax US Offer will be conducted in accordance with the US federal securities laws, including Regulation 14D and Regulation 14E under the Exchange Act, except to the extent of any no-action relief granted by the SEC. The Lufax non-US Offer will be conducted in accordance with the provisions of the Takeovers Code and other applicable Hong Kong rules and regulations.

Lufax US Shareholders and Lufax ADS Holders who accept the Lufax US Offer will be paid US\$1.127 per duly accepted Lufax Share or US\$2.254 per duly accepted Lufax ADS. The Joint Offerors will not be responsible for any fees or expenses connected with the Lufax ADSs (other than fees payable as holders of the Lufax ADSs acquired in the Lufax Share Offers). See “Letter from Morgan Stanley and the Offeror Group: The Lufax Offers”.

The receipt of cash in exchange for Lufax Shares and/or Lufax ADSs will be a taxable transaction for US federal income tax purposes and may also be taxable under applicable state, local, foreign or other tax laws. Generally, Lufax US Shareholders and Lufax ADS Holders will recognise gain or loss for these purposes equal to the difference between the amount of cash received and their adjusted tax basis in the Lufax Shares and/or Lufax ADSs that were tendered. For US federal income tax purposes, this gain or loss generally would be a capital gain or loss if the Lufax Shares are held as a capital asset. See “US Special Factors; 12. Tax Consequences”.

The Lufax Option Offer

For cancellation of each outstanding Lufax Option with an exercise price of RMB8.0 (135,092 Lufax Options in total)	RMB0.0345 in cash (for illustrative purposes, equivalent to approximately HK\$0.0378)
For cancellation of each outstanding Lufax Option with an exercise price of RMB50.0 (2,939,386 Lufax Options in total)	HK\$0.00001 in cash

For cancellation of each outstanding Lufax Option with an exercise price of RMB98.06 (6,248,894 Lufax Options in total) HK\$0.00001 in cash

For cancellation of each outstanding Lufax Option with an exercise price of RMB118.0 (2,149,618 Lufax Options in total) HK\$0.00001 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the cancellation price for the outstanding Lufax Options would normally represent the difference between the exercise price of the Lufax Options and the offer price of the Lufax non-US Offer. Under the Lufax Option Offer, for outstanding Lufax Options having exercise prices above the offer price of the Lufax non-US Offer, such outstanding Lufax Options are out of the money and the cancellation price for cancelling each such outstanding Lufax Option is at a nominal amount of HK\$0.00001. Following acceptance of the Lufax Option Offer, the relevant Lufax Options together with all rights attaching thereto will be entirely cancelled and renounced. Outstanding Lufax Options not tendered for acceptance under the Lufax Option Offer can be exercised in accordance with their respective original terms and conditions.

The Lufax PSU Arrangement

As at the Latest Practicable Date, there were 1,405,644 Unvested Lufax PSUs, comprising 221,594 Unlocked Lufax PSUs and 1,184,050 Locked Lufax PSUs. The rules of the Lufax 2019 Performance Share Unit Plan did not specify the treatment of the Unvested Lufax PSUs in case of a general offer. Accordingly, in accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Joint Offerors propose the Unvested Lufax PSUs will be treated as follows:

- (a) For cancellation of each Unlocked Lufax PS US\$1.127 in cash (for illustrative purposes, equivalent to approximately HK\$8.803)
- (b) For cancellation of each Locked Lufax PSU US\$1.127 in cash (for illustrative purposes, equivalent to approximately HK\$8.803) subject to the following terms and conditions:
 - Unlocking conditions: The Locked Lufax PSUs shall continue to unlock in accordance with, and subject to, the existing schedule and conditions of grant under the Lufax 2019 Performance Share Unit Plan.
 - Settlement: The cancellation price will be paid to the holders of the Locked Lufax PSUs following the unlocking of the respective Lufax PSUs.

Following acceptance of the Lufax PSU Arrangement, the relevant Lufax PSUs together with all rights attaching thereto will be entirely cancelled and renounced. For holders of Unvested Lufax PSUs (including Unlocked Lufax PSUs and Locked Lufax PSUs) who do not accept the arrangement as set out in above on or before the Closing Date, such Unvested Lufax PSUs will be unlocked (if any) and vested in accordance with their respective original terms and conditions under the Lufax 2019 Performance Share Unit Plan.

INFORMATION ON THE LUFAX GROUP

Lufax was incorporated in the Cayman Islands with limited liability and is listed on the NYSE (NYSE ticker: LU) and the Stock Exchange (stock code: 6623). Lufax Group are a leading financial services enabler for SBOs in China and offer financing products designed principally to address the needs of SBOs.

Public float and shareholdings in Lufax

Set out below is the shareholding structure of Lufax as at the Latest Practicable Date. As at the Latest Practicable Date, the public float of Lufax was approximately 25.40%.

Lufax Shareholders	No. of Lufax Shares held as at the Latest Practicable Date	Percentage of shareholding of the total issued Lufax Shares as at the Latest Practicable Date (%) ^(Note 6)
The Joint Offerors		
– An Ke Technology ^(Note 1&2)	590,989,352	34.10
– Ping An Overseas Holdings ^(Note 1)	393,795,905	22.72
Sub-total of the Joint Offerors:	984,785,257	56.81
The Offeror Directors		
– Mr. Huang Philip ^(Note 2)	14,250	0.00
– Ms. Zhang Zhichun ^(Note 2)	6,222	0.00
Directors of Lufax		
– Mr. Gregory Dean GIBB	31,083	0.00
Tun Kung Company Limited ^(Notes 3 & 4)	308,198,174	17.78
Other shareholders	440,284,218	25.40
Total	1,733,319,204	100.00

Notes:

- An Ke Technology is a wholly-owned subsidiary of Ping An Financial Technology, which is in turn wholly owned by Ping An Group. Ping An Overseas Holdings is a direct wholly-owned subsidiary of Ping An Group. As such, under the SFO, as at the Latest Practicable Date, Ping An Financial Technology is deemed to be interested in the 590,989,352 Lufax Shares held by An Ke Technology, and Ping An Group is deemed to be interested in the 590,989,352 Lufax Shares held by An Ke Technology and 393,795,905 Lufax Shares held by Ping An Overseas Holdings.

As at the Latest Practicable Date, the outstanding principal amounts of the Ping An Convertible Promissory Notes amounted to US\$976.9 million, comprising US\$507.988 million for the convertible promissory note issued to Ping An Overseas Holdings and US\$468.912 million for the convertible promissory note issued to An Ke Technology. According to the terms and conditions of the Ping An Convertible Promissory Notes, the conversion period of the Ping An Convertible Promissory Notes will commence on April 30, 2026.

2. Mr. Huang Philip, a director of An Ke Technology, beneficially owned 7,125 Lufax ADSs representing 14,250 Lufax Shares. Ms. Zhang Zhichun, a director of Ping An Overseas Holdings, beneficially owned 3,111 Lufax ADSs representing 6,222 Lufax Shares.
3. Each of Lanbang Investment Company Limited (“Lanbang”) and Tongjun Investment Company Limited (“Tongjun”) holds 56.37% and 43.63% of the issued and outstanding share capital of Tun Kung Company Limited (“Tun Kung”), respectively. According to the relevant forms of disclosure of interests, (i) Lanbang is directly held by Mr. Jingkui SHI and Mr. Xuelian YANG as to 50% and 50%; and (ii) Tongjun is directly held by Mr. Wenwei DOU and Ms. Wenjun WANG as to 50% and 50%. Mr. Wenwei DOU and Ms. Wenjun WANG acts as nominee shareholders to hold the shares of Tongjun on behalf of the beneficiaries, who are senior employees of Ping An Group and its subsidiaries or associates.

Each of Mr. Jingkui SHI and Mr. Xuelian YANG has granted an option to An Ke Technology to purchase up to 100% of his shares in Lanbang (“**Lanbang Offshore Call Options**”). Each shareholder of Lanbang Investment Company Limited is entitled to his voting and other rights in Lanbang Investment Company Limited prior to An Ke Technology’s exercise of the Lanbang Offshore Call Options. Lanbang has also granted an option to An Ke Technology to purchase up to 100% of its shares in Tun Kung (“**Tun Kung Offshore Call Options**”), together with Lanbang Offshore Call Options, the “**Offshore Call Options**”). Lanbang is entitled to its voting and other rights in Tun Kung prior to An Ke Technology’s exercise of the Tun Kung Offshore Call Options. Mr. Jingkui SHI and Mr. Xuelian YANG also hold the entire equity interest in Shanghai Lanbang Investment Limited Liability Company (“**Shanghai Lanbang**”), which holds 18.29% of the equity interest in two of the Consolidated Affiliated Entities, Shanghai Xiongguo Corporation Management Co., Ltd. (上海雄國企業管理有限公司) and Shenzhen Lufax Holding Enterprise Management Co., Ltd. (深圳市陸控企業管理有限公司). Each of Mr. Jingkui SHI and Mr. Xuelian YANG has granted an option to Ping An Financial Technology to purchase up to 100% of his equity interest in Shanghai Lanbang (the “**Onshore Call Options**”), and together with the Offshore Call Options, the “**Call Options**”). As far as Tun Kung is aware, save for the Call Options, each of Mr. Jingkui SHI and Mr. Xuelian YANG has no other relationship with the Offeror Group as of the Latest Practicable Date and there is no acting-in-concert arrangement between Tun Kung (including its shareholders) and the Offeror Group, nor does Tun Kung holds the Lufax Shares on behalf of the Offeror Group. The Call Options are exercisable concurrently, in whole or in part, during the period commencing on November 1, 2024 and ending on October 31, 2034. Such ten-year period may be extended by An Ke Technology or Ping An Financial Technology, as applicable, by written notice.

For details of the Call Options, see note (2) to the subsection headed “History and Corporate Structure – Our Corporate Structure” in the listing document of Lufax dated April 11, 2023.

4. Tun Kung beneficially owned 308,198,174 Lufax Shares, consisting of (i) 246,550,714 Lufax Shares held of record by Tun Kung; (ii) 16,497,372 Lufax ADSs representing 32,994,744 Lufax Shares recorded in and represented by the collateral accounts and the custodial accounts held in the name of Tun Kung with Goldman Sachs International pursuant to certain covered call arrangements by and among Tun Kung, Goldman Sachs International and Goldman Sachs (Asia) L.L.C. between June and September 2023; and (iii) 28,652,716 Lufax Shares are held through Central Clearing and Settlement System (CCASS) established and operated by Hong Kong Securities Clearing Company Limited (HKSCC).
5. Morgan Stanley is the financial adviser to the Joint Offerors in respect of the Lufax non-US Offer, the Lufax Option Offer and the Lufax PSU Arrangement. Accordingly, Morgan Stanley and the relevant members of the Morgan Stanley group which hold Lufax Shares on an own account basis or manage Lufax Shares on a discretionary basis are presumed to be acting in concert with the Joint Offerors in relation to Lufax in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Lufax Shares held by members of the Morgan Stanley group which are exempt principal traders or exempt fund managers, in each case recognized by the Executive as such for the purposes of the Takeovers Code). Members of the Morgan Stanley group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as Morgan Stanley are not presumed to be acting in concert with the Joint Offerors. As at the Latest Practicable Date, Morgan Stanley and the relevant members of the Morgan Stanley group did not own or have control over any voting rights in Lufax Shares (except for those which may be owned or controlled in their capacity as exempt principal traders or exempt fund managers, in each case recognized by the Executive as such for the purposes of the Takeovers Code). The statements in this Composite Document as to holdings, borrowings or lendings of, or dealings in, the Lufax Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Lufax by the Offeror Group and parties acting in concert with them are subject to the holdings, borrowings, lendings, or dealings (if any) of relevant members of the Morgan Stanley group presumed to be acting in concert with the Joint Offerors.

6. The calculation is based on the total number of 1,733,319,204 Lufax Shares issued and outstanding as of the Latest Practicable Date (excluding the treasury shares held by Lufax, which comprised the Lufax Shares underlying Lufax ADSs repurchased by Lufax pursuant to the share repurchase programs and Lufax Shares issued to the Lufax Depository for bulk issuance of Lufax ADSs reserved for future issuances upon the exercise or vesting of options or awards granted under the share incentive plans of Lufax).

Securities of Lufax

As at the Latest Practicable Date, the outstanding principal amounts of the Ping An Convertible Promissory Notes amounted to US\$976.9 million, comprising US\$507.988 million for the convertible promissory note issued to Ping An Overseas Holdings and US\$468.912 million for the convertible promissory note issued to An Ke Technology. According to the terms and conditions of the Ping An Convertible Promissory Notes, the conversion period of the Ping An Convertible Promissory Notes will commence on April 30, 2026.

As at the Latest Practicable Date, Lufax had no outstanding dividend or other distributions which remain unpaid. Lufax has no intention to declare any dividend or make other distributions during the Offer Period.

As at the Latest Practicable Date, save for the 11,472,990 outstanding Lufax Options, the 1,405,644 Unvested Lufax PSUs and the Ping An Convertible Promissory Notes, Lufax does not have any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Lufax Shares or which confer rights to require the issue of Lufax Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Lufax Shares or which confer rights to require the issue of Lufax Shares.

ADDITIONAL INFORMATION

You are advised to read the “*Letter from Morgan Stanley and the Offeror Group*” in and Appendix I to this Composite Document and the accompanying Form(s) of Acceptance for information relating to the Lufax Offers and the acceptance and settlement procedures of the Lufax Offers. Your attention is also drawn to the additional information contained in other appendices to this Composite Document.

Your attention is drawn to the section headed “Intention of the Offeror Group in relation to the Lufax Group” in “*Letter from Morgan Stanley and the Offeror Group*” in this Composite Document. The Lufax Board (other than Mr. Yonglin XIE, Ms. Xin FU and Mr. Yuqiang HUANG, being the non-executive directors of Lufax, who hold certain positions in Ping An Group and are therefore considered to have conflicts of interest in respect of the Lufax Offers) notes the intention of the Offeror Group and is willing to cooperate with the Offeror Group and act in the best interests of Lufax and the Lufax Shareholders as a whole. The Lufax Board (other than Mr. Yonglin XIE, Ms. Xin FU and Mr. Yuqiang HUANG) is of the view that the Offeror Group’s intentions in relation to the Lufax Group and its employees are reasonable as

it would ensure continuity and stability of the Lufax Group's business operations going forward. Such intentions of the Offeror Group are not expected to have a material adverse impact on the existing businesses of the Lufax Group.

RECOMMENDATIONS

The Lufax Independent Financial Adviser has advised the Lufax Independent Board Committee that, despite the Offeror Group's compliance with the Takeovers Code and considering that its obligation to make the mandatory general offer arises only from the result of the election of the Lufax Scrip Dividend Scheme by the Joint Offerors, the Lufax Independent Financial Adviser considers the offer prices under the Lufax Share Offers to be not attractive, rendering the Lufax Share Offers not fair and not reasonable so far as the Independent Lufax Shareholders and the Lufax ADS Holders are concerned; it considers the cancellation prices under the Lufax Option Offer to be also not fair and not reasonable so far as the Lufax Optionholders are concerned; and it considers the cancellation price under the Lufax PSU Arrangement to be also not fair and not reasonable so far as the Lufax PSU Holders are concerned. Accordingly, it advises the Lufax Independent Board Committee to recommend the Independent Lufax Shareholders, the Lufax ADS Holders, the Lufax Optionholders and the Lufax PSU Holders **NOT** to accept the Lufax Offers. The Lufax Independent Board Committee, having been so advised, considers the offer prices under the Lufax Share Offers, the cancellation prices under the Lufax Option Offer and the cancellation price under the Lufax PSU Arrangement to be not fair and not reasonable so far as the Independent Lufax Shareholders, the Lufax ADS Holders, the Lufax Optionholders and the Lufax PSU Holders are concerned, and accordingly, recommends the Independent Lufax Shareholders, the Lufax ADS Holders, the Lufax Optionholders and the Lufax PSU Holders **NOT** to accept the Lufax Offers.

Your attention is drawn to the letters from the Lufax Independent Board Committee and the Lufax Independent Financial Adviser, respectively, which set out their recommendations and opinions in relation to the Lufax Offers and the principal factors considered by them before arriving at their recommendations.

FURTHER INFORMATION

In considering what action to take in connection with the Lufax Offers, the Independent Lufax Shareholders, the Lufax ADS Holders, the Lufax Optionholders and the Lufax PSU Holders should consider their own tax position and, if they are in doubt, they should consult their own professional advisers.

You are recommended to read the "*Letter from Morgan Stanley and the Offeror Group*" set out in this Composite Document and the additional information set out in the Appendices, which form part of this Composite Document.

By order of the Board
Lufax Holding Ltd



Yong Suk CHO
Chairman of the Board and Chief Executive Officer

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