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泸州银行股份有限公司*
LUZHOU BANK CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1983)

**PROPOSED APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR,
PROPOSED ISSUE OF THE SME BONDS
AND
PROPOSED ISSUE OF CAPITAL SUPPLEMENTARY BONDS**

I. PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board of Directors (the “**Board**”) of Luzhou Bank Co., Ltd. (the “**Bank**”) is pleased to announce that Mr. HAN Zirong (“**Mr. HAN**”) is proposed to be appointed and elected by the Shareholders of the Bank (the “**Shareholders**”) as an independent non-executive director (“**INED**”) of the Bank at the forthcoming 2023 annual general meeting (the “**2023 AGM**”) to be held on Wednesday, May 22, 2024.

The biography of Mr. HAN is as below:

Mr. HAN Zirong, aged 60, has been a partner of the Shenzhen Branch of BDO China Shu Lun Pan CPAs (立信會計師事務所深圳分所) since November 2012. Prior to that, Mr. HAN served as deputy general manager and the executive general manager of the Shenzhen business headquarters of Daxin Certified Public Accountants (大信會計師事務所) from October 2008 to November 2012, a managing partner of Shenzhen Finance Accounting Firm (深圳融信會計師事務所) from September 1997 to October 2008, an assistant to director of Accounting Firm of Shenzhen Audit Bureau (深圳市審計局審計師事務所) from October 1992 to September 1997. From July 1985 to October 1992, he worked in the credit department of Changchun Branch of Industrial and Commercial Bank of China Limited (a company listed on the Shanghai Stock Exchange, stock code: 601398; and listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), stock code: 1398). Mr. HAN has been an independent director of Chengdu Rural Commercial Bank Co., Ltd. (成都農村商業銀行股份有限公司) since March 2022 and an external supervisor of the Bank of Chengdu Co., Ltd. (成都銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601838) since January 2017. Mr. HAN was a director of the seventh session of the Shenzhen Institute of Certified Public Accountants from March 2021 to March 2024, an independent director of Xuzhou Rural Commercial Bank Co., Ltd. (徐州農村商業銀行股份有限公司) from September 2020 to December 2023, an external supervisor of China Merchants Bank Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600036; and a company listed on the Stock Exchange, stock code: 3968) from June 2016 to June 2022, a director of the sixth session of Shenzhen Institute of Certified Public Accountants from November 2016 to November 2020, an independent director of the Bank of Hainan Co., Ltd from July 2015 to March 2020, an independent director of the Bank of Chengdu Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601838) from March 2011 to January 2017, and an independent director of the Bank of Ningbo Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002142) from January 2005 to December 2010.

Mr. HAN obtained a bachelor's degree in Commercial Economics from Jilin University of Finance and Economics in July 1985. Mr. HAN is a practicing member of the Chinese Institute of Certified Public Accountants.

The appointment of Mr. HAN is subject to the approval from the Sichuan Bureau of the National Financial Regulatory Administration. The term of office of Mr. HAN will commence upon the approval by the Sichuan Bureau of the National Financial Regulatory Administration for his qualification until expiration of the term of office of the eighth session of the Board.

The Bank will enter into a service contract with Mr. HAN. During his tenure as an INED, Mr. HAN will receive INED's allowance of HK\$350,000 per year and a subsidy of RMB1,000 for each meeting attended from the Bank. These remuneration and subsidy are determined in accordance with applicable laws, regulations and relevant remuneration policy of the Bank. Apart from the aforesaid remuneration and subsidy, Mr. HAN will not receive any other remuneration from the Bank.

Save as disclosed herein, as of the date of this announcement, Mr. HAN did not hold any directorship in any other listed companies, did not hold any other major appointments and professional qualifications, and did not take up any post in any group members of the Bank in the past three years, nor have any relationship with any other director, supervisor, senior management, substantial Shareholder or controlling Shareholder (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of the Bank.

Furthermore, save as disclosed herein, as at the date of this announcement, Mr. HAN did not have any equity interest in the Bank within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong. Save as disclosed herein, there is no other information relating to the appointment of Mr. HAN that shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any matters which need to be brought to the attention of the Shareholders.

Mr. HAN has confirmed that he meets the independence criteria set out in Rule 3.13 of the Listing Rules. Specifically, Mr. HAN has confirmed that, as at the date of this announcement :

- (1) his independence in relation to the factors referred to in Rule 3.13(1) to (8) of the Listing Rules;
- (2) he has no past or present financial or other interests in the business of the Bank, nor is he connected with any core connected persons of the Bank (as defined in the Listing Rules); and
- (3) there are no other factors that may affect his independence.

II. PROPOSED ISSUE OF THE SME BONDS

The Board further announces that, in order to replenish the Bank's debt sources, optimize its medium-and long-term debt structure, and further enhance the ability to serve SME, the Board proposes to issue special financial bonds for loans to small and micro enterprises (the "SME Bonds") in the aggregate amount of not more than RMB1.8 billion, which are earmarked for the issuance of loans to small and micro enterprises and personal business loans to satisfy the need of business development. The proposed issue of the SME Bonds is subject to obtaining the approval from the Shareholders as a special resolution at 2023 Annual General Meeting and necessary approvals from relevant regulatory authorities.

Particulars of the proposed issue of the SME Bonds are as follows:

1. Size: not more than RMB1.8 billion (inclusive) in aggregate (subject to the final quota approved by the relevant regulatory authorities and the actual capital needs at the time of the issue)
2. Use of proceeds: to be earmarked for the issuance to loans of small and micro enterprises and personal business loans
3. Term: not more than 5 years
4. Interest rate: fixed interest rate, the final coupon rate to be determined by the Bank and the lead underwriter through negotiation based on the results of book building
5. Interest payment method: interest payable annually, not on a compound basis, starting from the next year after the issuance of the SME Bonds
6. Issue method: the lead underwriter organizes an underwriting syndicate to publicly issue in the national inter-bank bond market through the bond issuance system of the People's Bank of China
7. Target subscribers: all the members of the national inter-bank bond market
8. Liquidation order: the liquidation order of the principal and interest will be the same as the general liabilities of commercial banks, and senior to commercial banks' long-term subordinated indebtedness, hybrid capital bonds and equity capital
9. Whether listed on the Stock Exchange: will not be listed on the Stock Exchange

The Bank will also propose at 2023 Annual General Meeting to authorize the Board to, and allow the Board to further delegate to the chairman, president and secretary to the Board of the Bank to, jointly or severally, for a period commencing from the date of approval at the 2023 Annual General Meeting and ending on the date when all the following authorized matters are completed, at its or their discretion, handle all the matters related to the issuance of the SME Bonds and the relevant management during its duration (including but not limited to the determination of size of issue, issue time, issue method, maturity of the bonds, terms of the issue, target subscribers, face value, interest rate and other detailed terms); handle bond registration and custody, apply for listing and trading of the bonds, arrange for principal return and interests payment of the bonds and all other related matters; engage underwriters, rating agencies, law firms, accounting firms and other intermediary agencies; conduct any negotiation related to the issuance of the SME Bonds, sign relevant contracts and other legal documents on behalf of the Bank; and handle the application and approval matters with the relevant regulatory authorities for the issue of the above-mentioned SME Bonds and make appropriate adjustments to the relevant specific issuance plan according to the supervision opinions of the regulatory authorities (if any).

III. PROPOSED ISSUE OF CAPITAL SUPPLEMENTARY BONDS

The Board further announces that, with the urgent need for capital for the business development of the Bank and taking into account the situation that the Bank shall exercise the right to redeem the 2020 capital bonds without a fixed term of RMB1.7 billion and the 2020 tier-two capital bonds of RMB1.5 billion in 2025, in order to meet the capital requirements to support the development of the Bank’s various businesses, the Board proposes to issue certain capital supplementary bonds (the “**Capital Supplementary Bonds**”) during the period from 2024 to 2025, including the proposed issue of capital bonds without a fixed term of no more than RMB1.0 billion in 2024 (the “**2024 Capital Bonds without a Fixed Term**”), capital bonds without a fixed term of no more than RMB1.8 billion in 2025 (the “**2025 Capital Bonds without a Fixed Term**”) and tier-two capital bonds of no more than RMB1.8 billion in 2025 (the “**2025 Tier-Two Capital Bonds**”). The proposed issue of Capital Supplementary Bonds is subject to obtaining the approval from the Shareholders as a special resolution at 2023 Annual General Meeting and necessary approvals from relevant regulatory authorities.

Particulars of the proposed issue of 2024 Capital Bonds without a Fixed Term are as follows:

- 1. Size: not more than RMB1.0 billion (inclusive) in aggregate (subject to the final quota approved by the relevant regulatory authorities and the actual capital needs at the time of the issue)
- 2. Use of proceeds: after deducting offering related expenses, it will be used to replenish the Bank’s other tier-one capitals and improve tier-one capital adequacy ratio in accordance with the applicable laws and approvals from the regulatory authorities
- 3. Term: the initial term shall not be less than 5 years, and such capital bonds will continue to be outstanding so long as the Bank’s business continues to operate

4. Interest rate: the coupon rate will be adjusted at defined intervals, with a coupon rate adjustment period every 5 years since the payment settlement date. In any coupon rate adjustment period, the interest payments will be made at a prescribed same coupon rate. The coupon rate at the time of the issue will be determined through book building and centralized allocation
5. Interest payment method: interest payable annually, not on a compound basis, starting from the next year after the issuance of 2024 Capital Bonds without a Fixed Term
6. Conditional redemption rights: the issue of 2024 Capital Bonds without a Fixed Term sets conditional redemption terms for the Issuer. Redemption rights may be exercised with prior recognition of the regulatory authorities
7. Scope of issue: publicly issued in the national inter-bank bond market
8. Rank of claims: the claims in respect of the holders of 2024 Capital Bonds without a Fixed Term, will be subordinated to the claims of depositors, general creditors, and the holders of subordinated indebtedness that rank senior to the bonds, and shall rank in priority to all classes of shares held by the Issuer's shareholders; 2024 Capital Bonds without a Fixed Term shall rank pari passu with the claims in respect of other tier-one capital instruments of the Bank that rank pari passu
9. Whether listed on the Stock Exchange: will not be listed on the Stock Exchange

Particulars of the proposed issue of 2025 Capital Bonds without a Fixed Term are as follows:

1. Size: not more than RMB1.8 billion (inclusive) (subject to the final quota approved by the relevant regulatory authorities and the actual capital needs at the time of the issue)
2. Use of proceeds: after deducting offering related expenses, it will be used to replenish the Bank's other tier-one capitals and improve tier-one capital adequacy ratio in accordance with the applicable laws and approvals from the regulatory authorities
3. Term: the initial term shall not be less than 5 years, and such capital bonds will continue to be outstanding so long as the Bank's business continues to operate
4. Interest rate: the coupon rate will be adjusted at defined intervals, with a coupon rate adjustment period every 5 years since the payment settlement date. In any coupon rate adjustment period, the interest payments will be made at a prescribed same coupon rate. The coupon rate at the time of the issue will be determined through book building and centralized allocation
5. Interest payment method: interest payable annually, not on a compound basis, starting from the next year after the issuance of 2025 Capital Bonds without a Fixed Term
6. Conditional redemption rights: the issue of 2025 Capital Bonds without a Fixed Term sets conditional redemption terms for the Issuer. Redemption rights may be exercised with prior recognition of the regulatory authorities
7. Scope of issue: publicly issued in the national inter-bank bond market
8. Rank of claims: the claims in respect of the holders of 2025 Capital Bonds without a Fixed Term, will be subordinated to the claims of depositors, general creditors, and the holders of subordinated indebtedness that rank senior to the bonds, and shall rank in priority to all classes of shares held by the Issuer's shareholders; 2025 Capital Bonds without a Fixed Term shall rank pari passu with the claims in respect of other tier-one capital instruments of the Bank that rank pari passu
9. Whether listed on the Stock Exchange: will not be listed on the Stock Exchange

Particulars of the proposed issue of 2025 Tier-Two Capital Bonds are as follows:

1. Size: not more than RMB1.8 billion in aggregate (inclusive) (subject to the final quota approved by the relevant regulatory authorities and the actual capital needs at the time of the issue)
2. Use of proceeds: after deducting offering related expenses, it will be used to replenish the Bank's tier-two capitals and improve the capital adequacy ratio in accordance with the applicable laws and approvals from the regulatory authorities
3. Term: ten-year fixed rate bonds, attaching conditional redemption right of the Bank at the end of the fifth year, subject to the approvals from the relevant regulatory authorities, the issuer has the right to redeem partially or wholly the 2025 Tier-Two Capital Bonds at par value
4. Interest rate: fixed interest rate method, not containing interest rate step-up mechanism and other redemption incentives. The final coupon rate shall be determined through book building and centralized allocation
5. Interest payment method: accrued annually with simple interest, without compounding
6. Conditional redemption rights: the Bank has the right to, at its option, redeem the bonds before the maturity date for once. Provided that the capital level of the issuer after the exercise of the redemption right still meets the regulatory capital requirements stipulated by the National Financial Regulatory Administration and the prior recognition is obtained from the regulatory authorities, the issuer may opt to redeem the 2025 Tier-Two Capital Bonds in part or in whole on a one-off basis at par value on the last day of the 5th year when interest is accruable for the 2025 Tier-Two Capital Bonds
7. Scope of issue: publicly issued in the national inter-bank bond market

8. Rank of claims: the liquidation in respect of the principal and interest of the 2025 Tier-Two Capital Bonds, will be subordinated to depositors and general creditors, and shall rank in priority to holders of equity capital, other tier-one capital instruments and hybrid capital bonds; other subordinated debt that has been issued by the Issuer and at the same rank of claims as the 2025 Tier-Two Capital Bonds shall rank pari passu with the claims in respect of other tier-two capital bonds that may be issued in the future. For the rank of claims applicable to the Bank, if the subsequent revisions of the Enterprise Bankruptcy Law of the People's Republic of China or relevant laws or regulations stipulate otherwise, such laws and regulations shall prevail
9. Whether listed on the Stock Exchange: will not be listed on the Stock Exchange

The Bank will also propose at 2023 Annual General Meeting to authorize the Board to, and allow the Board to further delegate to the chairman, president and secretary to the Board of the Bank to, jointly or severally, for a period commencing from the date of approval at the 2023 Annual General Meeting and ending on the date when all the following authorized matters are completed, at its or their discretion, handle all the matters related to the issuance of the Capital Supplementary Bonds and the relevant management during its duration (including but not limited to the determination of issue plan, size of issue, issue time, issue method, offering related expenses, maturity of the bonds, type of bonds, target subscribers, face value and interest rate, repayment method, terms of the issue, other detailed terms and other matters); handle bond registration and custody, apply for, listing and trading of the bonds, and arrange for the repayment of principal and interest of the bonds, redemption right and write-down, and all other related matters; engage underwriters, rating agencies, law firms, accounting firms and other intermediary agencies; conduct any negotiation related to the issuance of the above-mentioned Capital Supplementary Bonds, amend, sign and execute all relevant agreements, contracts and other documents on behalf of the Bank; and handle the application and approval matters with the relevant regulatory authorities for the issue of the above-mentioned Capital Supplementary Bonds and make appropriate adjustments to the specific issuance plan according to the opinions of the regulatory authorities (if any).

ANNUAL GENERAL MEETING

The proposed appointment of Mr. HAN as an INED, proposed issue of the SME Bonds and proposed issue of the Capital Supplementary Bonds are subject to the approval by the Shareholders at the 2023 Annual General Meeting.

A circular containing, among other things, further details of the proposed appointment of Mr. HAN as an INED, proposed issue of the SME Bonds and Capital Supplementary Bonds, together with the notice convening the 2023 Annual General Meeting, will be dispatched to the Shareholders in due course.

By order of the Board
Luzhou Bank Co., Ltd.*
YOU Jiang
Chairman

Luzhou, the PRC, March 22, 2024

As at the date of this announcement, the Board comprises Mr. YOU Jiang and Mr. LIU Shirong as executive Directors; Ms. PAN Lina, Mr. XIONG Guoming, Mr. LUO Huoming and Ms. CHEN Ping as non-executive Directors; and Mr. TANG Baoqi, Mr. ZHONG Jin, Mr. GAO Jinkang and Mr. CHING Yu Lung as independent non-executive Directors.

* *Luzhou Bank Co., Ltd. is not an authorised 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 authorised to carry on banking/deposit-taking business in Hong Kong.*