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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Luzhou Bank Co., Ltd.*, you should at once pass this circular and the enclosed form of proxy and reply slip to the purchaser or the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was affected for transmission to the purchaser or the transferee.

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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)

- (1) 2023 ANNUAL REPORT**
- (2) 2023 WORK REPORT OF THE BOARD OF DIRECTORS**
- (3) 2023 WORK REPORT OF THE BOARD OF SUPERVISORS**
- (4) 2023 EVALUATION REPORT ON THE PERFORMANCE OF DUTIES BY THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**
- (5) 2023 FINAL FINANCIAL ACCOUNTS**
- (6) 2023 PROFIT DISTRIBUTION PLAN**
- (7) REPORT ON RELATED PARTY TRANSACTIONS FOR 2023**
- (8) 2024 FINANCIAL BUDGET PLAN**
- (9) ENGAGEMENT OF EXTERNAL AUDITORS FOR 2024**
- (10) PROPOSED ELECTION OF MR. HAN ZIRONG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR FOR THE EIGHTH SESSION OF THE BOARD OF DIRECTORS**
- (11) PROPOSED ISSUE OF THE SME BONDS**
- (12) PROPOSED ISSUE OF CAPITAL SUPPLEMENTARY BONDS**
- (13) 2024 FIXED ASSETS INVESTMENT PLAN**
- (14) AUTHORIZATION IN RELATION TO THE COLLECTION AND DISPOSAL OF BANKRUPTCY**
- (15) PROPOSED WRITE-OFF OF CERTAIN NON-PERFORMING LOANS AND**
- (16) NOTICE OF 2023 ANNUAL GENERAL MEETING**

Notice convening the 2023 Annual General Meeting to be held at 9:00 a.m. on Wednesday, May 22, 2024 at Meeting Room 1101, 11th Floor, Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, is out on pages 43 to 48 of this circular.

If you intend to attend the 2023 Annual General Meeting by proxy, you are required to complete and return the form of proxy in accordance with the instructions printed thereon. For H Shareholders, the form of proxy should be returned to the Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong). For Domestic Shareholders, the form of proxy should be returned to the office of the Board of Directors of the Bank (Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000). In any event, the form of proxy should be returned not less than 24 hours before the time stipulated for convening the 2023 Annual General Meeting or any adjourned meetings thereof (i.e. no later than 9:00 a.m. on Tuesday, May 21, 2024). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2023 Annual General Meeting or any adjourned meetings thereof.

If you intend to attend the 2023 Annual General Meeting or any adjourned meetings thereof in person or by proxy, you are required to complete and return the reply slip to the Computershare Hong Kong Investor Services Limited (for H Shareholders) or the office of the Board of Directors of the Bank (for Domestic Shareholders) on or before Friday, May 10, 2024.

In case of any discrepancy between the Chinese and English versions of this circular (including all appendices) and the Notice of 2023 Annual General Meeting, the Chinese version shall prevail.

* Luzhou 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.

April 30, 2024

CONTENTS

	<i>PAGE</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I - 2023 WORK REPORT OF THE BOARD OF DIRECTORS	26
APPENDIX II - 2023 WORK REPORT OF THE BOARD OF SUPERVISORS	35
APPENDIX III - BIOGRAPHY OF MR. HAN ZIRONG, THE CANDIDATE FOR INDEPENDENT NON-EXECUTIVE DIRECTOR AND PROPOSED REMUNERATION	41
NOTICE OF 2023 ANNUAL GENERAL MEETING	43

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below:

“2023 Annual General Meeting”	2023 Annual General Meeting of the Bank proposed to be held at 9:00 a.m. on Wednesday, May 22, 2024 at Meeting Room 1101, 11th Floor, Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC
“Articles of Association”	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time)
“Bank”	Luzhou Bank Co., Ltd. (泸州银行股份有限公司), a joint stock company incorporated in the PRC with limited liability and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1983)
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	ordinary shares issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“Domestic Shareholders”	the holder(s) of Domestic Shares
“H Share(s)”	overseas-listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Bank and traded in Hong Kong Dollars
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Bank
“H Shareholders”	the holder(s) of H Shares
“HK\$” or “Hong Kong Dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards
“Independent Director(s)” or “Independent Non-executive Director(s)”	the independent non-executive director(s) of the Bank
“Latest Practicable Date”	April 25, 2024, being the latest practicable date for ascertaining certain information contained in this circular prior to its printing
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Notice of 2023 Annual General Meeting”	the notice convening the 2023 Annual General Meeting
“PBoC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC” or “China”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only, unless the context otherwise requires, excluding Hong Kong, the Macau Special Administrative Region and Taiwan of the PRC
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	shares of the Bank, including Domestic Shares and/or H Shares
“Supervisor(s)”	the supervisor(s) of the Bank
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. YOU Jiang (游江) (Chairman)
Mr. LIU Shirong (劉仕榮)

Non-executive Directors:

Ms. PAN Lina (潘麗娜)
Mr. XIONG Guoming (熊國銘)
Mr. LUO Huoming (羅火明)
Ms. CHEN Ping (陳萍)

Independent Non-executive Directors:

Mr. TANG Baoqi (唐保祺)
Mr. ZHONG Jin (鍾錦)
Mr. GAO Jinkang (高晉康)
Mr. CHING Yu Lung (程如龍)

Registered address:

Building 1, No. 18
Section 3, Jiucheng Avenue
Jiangyang District, Luzhou
Sichuan Province, the PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

April 30, 2024

To the Shareholders

Dear Sir or Madam,

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LETTER FROM THE BOARD

I. INTRODUCTION

The Board of Directors hereby invites you to attend the 2023 Annual General Meeting to be held at 9:00 a.m. on Wednesday, May 22, 2024 at Meeting Room 1101, 11th Floor, Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC.

This circular aims to give you the Notice of 2023 Annual General Meeting and to provide you with the information necessary to make an informed decision on whether to vote for or against certain ordinary resolutions or special resolutions to be proposed at the 2023 Annual General Meeting relating to, among other things, the following matters.

II. MATTERS TO BE CONSIDERED AND APPROVED AT THE 2023 ANNUAL GENERAL MEETING

1. 2023 Annual Report

An ordinary resolution will be proposed at the 2023 Annual General Meeting to approve the 2023 Annual Report.

2. 2023 Work Report of the Board of Directors

An ordinary resolution will be proposed at the 2023 Annual General Meeting to approve the “2023 Work Report of the Board of Directors of Luzhou Bank Co., Ltd.” of the Bank. The 2023 Work Report of the Board of Directors has been considered and approved by the Board of Directors. For the 2023 Work Report of the Board of Directors, please refer to Appendix I to this circular.

3. 2023 Work Report of the Board of Supervisors

An ordinary resolution will be proposed at the 2023 Annual General Meeting to approve the “2023 Work Report of the Board of Supervisors of Luzhou Bank Co., Ltd.” of the Bank. The 2023 Work Report of the Board of Supervisors has been considered and approved by the Board of Supervisors. For the 2023 Work Report of the Board of Supervisors, please refer to Appendix II to this circular.

4. 2023 Evaluation Report on the Performance of Duties by the Directors, Supervisors and Senior Management

Based on the relevant criteria for evaluation of performance of duties by the Directors, Supervisors and senior management, the Board of Supervisors conducted evaluation of the performance of duties by the Directors, Supervisors and senior management for 2023, and is of the view that the evaluation level of performance of duties by all Directors, Supervisors and senior management in 2023 is “competent”. It is proposed that the Bank shall settle and pay in full the annual performance remuneration (allowances) to its Directors, Supervisors and senior management pursuant to the remuneration packages of Directors and Supervisors

LETTER FROM THE BOARD

considered and approved at the 2022 first extraordinary general meeting of the Bank, and the remuneration assessment measures for the management considered and approved by the Board. The evaluation report is summarized as follows:

I. Evaluation of performance of duties by Directors

The Board of Supervisors is of the view that in 2023, members of the Board of Directors further implemented the guiding principles of the 20th National Congress of the Communist Party of China and the Central Financial Work Conference, strictly implemented the national, provincial and municipal strategic deployments and work requirements, adhered to the general principle of making progress while ensuring stability, adhered to the origin of finance, strictly abided by the bottom line of risks, and focused on improving quality and efficiency. All Directors actively fulfilled their diligent and faithful obligations to the Bank and all Shareholders, performed their duties professionally and efficiently, and comprehensively promoted various work such as strengthening governance, preventing risks, promoting reform, and seeking development, thus having facilitated the high-quality development of the entire Bank.

II. Evaluation of performance of duties by Supervisors

The Board of Supervisors is of the view that in 2023, members of the Board of Supervisors continuously promoted the organic integration of the leadership of Party into corporate governance, closely integrated transformation strategies with key work tasks of the Bank, “centered around effective supervision as a means to promote and improve our overall work”, deepened the concept of supervision, gave full play to their supervisory roles, and continuously improved the corporate governance structure. Members of the Board of Supervisors innovated and enriched their means of supervision, strengthened risk control, improved and enhanced the quality and effectiveness of their supervision, and played a positive role in promoting business transformation, strengthening internal control management and preventing risk management.

III. Evaluation of performance of duties by the senior management

The Board of Supervisors is of the view that in 2023, the senior management of the Bank always adhered to the Party’s comprehensive leadership over financial work, insisted on the “two-consistency (consistently adhere to the Party’s leadership over State-owned enterprises; consistently develop a modern enterprise system as the direction of the reform of State-owned enterprises)”, proactively adjusted their operational and management strategies amidst the severe and volatile economic and financial situations, implemented the new concept for development, and constructed the new pattern of development. The senior management continuously deepened the internal reform, consolidated the risk prevention and control, and continuously enhanced the base of development, while maintaining a stable and healthy operation and management. As a result, the senior management successfully achieved their operating goals assigned by the Board of Directors.

The above-mentioned 2023 Evaluation Report on the Performance of Duties by the Directors, Supervisors and Senior Management has been considered and approved by the Board of Supervisors, and will be submitted to the 2023 Annual General Meeting for consideration and approval by way of ordinary resolution.

LETTER FROM THE BOARD

5. 2023 Final Financial Accounts

The 2023 Final Financial Accounts of the Bank prepared in accordance with IFRS is summarized as follows:

In 2023, net profit of the Bank amounted to RMB994 million, representing an increase of RMB187 million or 23.12% as compared to the previous year. The basic earnings per share were RMB0.33; the average return on net assets was 9.36%; the return on average total assets was 0.65%.

As of the end of 2023, the non-performing loans (“NPLs”) amounted to RMB1,245 million, representing a decrease of RMB23 million as compared to the end of 2022; the NPLs ratio was 1.35%, representing a decrease of 0.18 percentage point as compared to the end of 2022. The allowance coverage ratio was 372.42%, representing an increase of 115.49 percentage points as compared to the end of 2022; the allowance to gross loan ratio was 5.01%, representing an increase of 1.08 percentage points as compared to the end of 2022.

Please refer to the 2023 annual report and the financial statements included therein published by the Bank for details of the 2023 Final Financial Accounts of the Bank.

The 2023 Final Financial Accounts have been considered and approved by the Board, and will be submitted to the 2023 Annual General Meeting for consideration and approval by way of ordinary resolution.

6. 2023 Profit Distribution Plan

According to the 2023 audit results and the requirements of relevant laws and regulations, the 2023 Profit Distribution Plan of the Bank is proposed as follows:

- (i) 10% of the net profit of the Bank shall be appropriated to statutory reserve, amounting to RMB99.42 million;
- (ii) RMB195.85 million shall be additionally appropriated to general risk provisions in accordance with relevant regulations;
- (iii) interest of RMB95.10 million shall be paid for the capital bonds without a fixed term issued by the Bank; and
- (iv) Cash dividends of RMB0.9 (tax inclusive) are to be distributed for every ten (10) Shares to all the Shareholders. Based on the total number of 2,717,752,062 Shares in issue of the Bank as at the Latest Practicable Date, the aggregate amount of the cash dividends proposed to be distributed is RMB244.60 million (tax inclusive).

LETTER FROM THE BOARD

The 2023 Profit Distribution Plan mentioned above has been considered and approved by the Board, and will be submitted to the 2023 Annual General Meeting for consideration and approval by way of ordinary resolution.

Meanwhile, the Board of Directors proposes to the 2023 Annual General Meeting to consider and approve the authorization to the Board of Directors to implement the above-mentioned Profit Distribution Plan, and the Board of Directors may further delegate such authorization to the chairman, the president and the secretary to the Board, to individually or jointly implement all matters related to the above-mentioned Profit Distribution Plan.

The above-mentioned proposed dividends are denominated in Renminbi and will be distributed to the Domestic Shareholders and H Shareholders in Renminbi and Hong Kong Dollars, respectively. The applicable exchange rate for calculating dividends to be distributed in Hong Kong Dollars shall be the average of the central parity rates of RMB to Hong Kong Dollars used by the interbank foreign exchange market as published by the PBoC of the five working days preceding and inclusive of the date of declaration of such dividends at the 2023 Annual General Meeting.

The proposed final dividends are subject to the consideration and approval by way of ordinary resolution by the Shareholders at the 2023 Annual General Meeting. The dividends will be distributed to the Domestic Shareholders and H Shareholders whose names appear on the register of members of the Bank on Friday, May 31, 2024. In order to determine the entitlement to the final dividend, the register of members for Domestic Shares and H Shares will be closed from Tuesday, May 28, 2024 to Friday, May 31, 2024 (both days inclusive). H Shareholders who wish to receive the final dividend shall lodge all transfer documents accompanied by the relevant H Share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no later than 4:30 p.m. on Monday, May 27, 2024 to register the transfer of shares. It is expected that the dividend distribution date will be on Friday, June 21, 2024. If there is any change to the expected distribution date, an announcement regarding such change will be published by the Bank.

Taxes on Dividends

(I) Domestic Shareholders

(1) Individual Shareholders

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and the Regulation on the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), the Bank shall withhold and pay individual income tax at the rate of 20% for resident individual shareholders who are listed in the register of Domestic Shareholders of the Bank on the equity record date.

LETTER FROM THE BOARD

(2) Enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), the Bank will not withhold income tax on dividends and bonuses received by resident enterprise Shareholders listed in the register of Domestic Shareholders of the Bank, and the tax payable shall be declared and paid by the enterprises themselves.

(II) H Shareholders

(1) Non-resident enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), the Bank shall withhold and pay enterprise income tax at the rate of 10% for non-resident enterprise Shareholders who are listed on the register of H Shareholders of the Bank on the equity record date.

(2) Non-resident individual Shareholders

Pursuant to the Notice on Matters Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發 [1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Bank shall withhold and pay individual income tax for non-resident individual Shareholders.

For non-resident individual Shareholders who are Hong Kong and Macau residents and whose country (region) of domicile is a country (region) which has entered into a tax treaty stipulating a tax rate of 10% with the PRC, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.

The Bank will withhold and pay individual income tax at the rate of 10% for non-resident individual Shareholders of countries or regions that have entered into tax treaties stipulating a tax rate of less than 10% with the PRC. If such Shareholders request a refund of the amount in excess of the amount of individual income tax payable under the tax treaty, the Bank will apply to the relevant tax bureau for a refund, provided that such Shareholders submit the required documents in accordance with the Administrative Measures on Preferential Treatment Entitled by Non-residents Taxpayers under Tax Treaties (Announcement 2019 No. 35 of the State Administration of Taxation) (《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)) within the prescribed time limit.

LETTER FROM THE BOARD

For non-resident individual Shareholders of countries or regions that have entered into tax treaties stipulating tax rates higher than 10% but lower than 20% with the PRC, the Bank will withhold and pay individual income tax for such Shareholders at the applicable tax rates stipulated in such tax treaties.

The Bank will withhold and pay individual income tax at the rate of 20% for non-resident individual Shareholders of countries or regions that have entered into tax treaties stipulating a tax rate higher than 20% with the PRC and of countries or regions that have not entered into any tax treaties with the PRC and in other circumstances.

The Bank will determine the country of domicile of the individual H Shareholders based on the registered address as recorded in the register of members of the Bank on May 31, 2024 (the “**Registered Address**”). If the domicile of individual H Shareholder is not the same as the Registered Address, such individual H Shareholder shall notify the Bank’s H Share Registrar not later than 4:30 p.m. on Monday, May 27, 2024, and provide relevant supporting documents to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong). Any individual H Shareholder who fails to provide relevant supporting documents within the time period stated above, may either personally or appoint an agent to attend to the relevant procedures in accordance with the requirements under the tax treaty notice.

The Bank assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Shareholders or any disputes over the withholding mechanism or arrangements.

7. Report on Related Party Transactions for 2023

In 2023, the Bank followed the requirements of the Measures for the Management of Related Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》), the Interim Measures for the Administration of Equity of Commercial Banks (《商業銀行股權管理暫行辦法》), the Listing Rules, the Measures for the Administration of Connected Transactions of Luzhou Bank Co., Ltd. (Revised) (《瀘州銀行股份有限公司關聯交易管理辦法(修訂)》) and the special inspection requirements for related party transactions of the regulatory authorities, continuously standardizing the management of related party transactions, ensuring the effective operation of the Bank’s mechanism of related party transactions and effectively protecting the interests of the Bank and its Shareholders. The summaries of report on related party transactions are presented as follows:

LETTER FROM THE BOARD

I. MANAGEMENT OF RELATED PARTY TRANSACTIONS

(I) Improvement of the management system of related party transactions

In 2023, the Bank revised and improved the intra-Bank management system of related party transactions in accordance with the regulations of domestic and overseas regulatory systems and in combination with the actual management work of related party transactions. Firstly, the Bank formulated working standards for management of related party transactions. The Bank issued the Notice on Standardization of Management of Related Party Transactions (《關於規範關聯交易管理的通知》), redefined related party standards, reiterated the approval process of related party transactions, clarified the work responsibilities of each relevant department, etc., and further enhanced the Bank's management awareness of related party transactions. Secondly, the Bank revised and issued the Measures for the Administration of Connected Transactions of Luzhou Bank Co., Ltd. (2023 Revised Edition) (《瀘州銀行股份有限公司關聯交易管理辦法(2023年修訂版)》), the Terms of Reference for Related Party (Connected) Transactions Control Committee of the Board of Directors of Luzhou Bank Co., Ltd. (2023 Revised Edition) (《瀘州銀行股份有限公司董事會關聯(連)交易控制委員會議事規則(2023年修訂版)》) to improve and standardize the management work of related party transactions comprehensively.

(II) Standardization of the intra-Bank approval process for related party transactions

The Bank's general related party transactions were filed with the Related Party (Connected) Transactions Control Committee upon approval in accordance with the internal authorization system. Major related party transactions were reviewed by the Related Party (Connected) Transactions Control Committee before being submitted to the Board of Directors for approval. Independent Directors all expressed independent opinions on major related party transactions.

(III) Statistics and disclosure management of related party transactions in compliance with regulations

In 2023, the Bank continued to standardize the statistics and disclosure management of related party transactions. Firstly, it continued to optimize the reporting mechanism of the list of intra-Bank related parties to ensure that the list of related parties was regularly updated; secondly, it continued to standardize the regulatory statements and system data reporting of related party transactions to improve the quality of reporting related party transaction data; thirdly, it carried out information disclosure of related party transactions in strict compliance with regulatory requirements, disclosed the overall situation of annual related party transactions in the annual report of the Bank, disclosed major related party transactions case by case on the official website, and consolidated and disclosed general related party transactions on a quarterly basis.

LETTER FROM THE BOARD

(IV) Establishment of a management system of related party transactions

In 2023, in order to further improve the management quality and efficiency of our Bank's related party transactions, prevent compliance risks and operational risks in respect of related party transactions, and improve the data quality of related party transactions, the Bank launched the construction of a management system of related party transactions. The system successfully launched at the end of December 2023 and entered into the trial operation verification stage. In the future, the Bank will continue to monitor and maintain the management system of related party transactions to ensure its smooth and stable operation.

(V) Strict pricing management of related party transactions

Various types of related party transactions between the Bank and its related parties are priced based on the principle of market price in accordance with the relevant regulatory and intra-Bank related party transaction management provisions, the pricing method of which is determined according to the types of transactions with the related parties and specific circumstances, and the conditions are no favorable than those for similar transactions with non-related parties, without causing damage to the Bank and stakeholders including other Shareholders, so as to ensure that the Bank's related party transactions are priced legally, fairly and reasonably.

II. OPERATION OF THE RELATED PARTY (CONNECTED) TRANSACTIONS CONTROL COMMITTEE UNDER THE BOARD OF DIRECTORS

The Board of Directors of the Bank established the Related Party (Connected) Transactions Control Committee under the Board of Directors, with an Independent Director serving as the chairman. As of the end of 2023, the committee consisted of 4 Directors, and the number of members met the requirements. The committee conscientiously performed its duties in accordance with the regulatory documents such as the Measures for the Management of Related Transactions of Banking and Insurance Institutions and the Measures for the Administration of Connected Transactions of Luzhou Bank Co., Ltd. (Revised), the Terms of Reference for Related Party (Connected) Transactions Control Committee of the Board of Directors of Luzhou Bank Co., Ltd. (2023 Revised Edition), the Articles of Association and other documents of the Bank. In 2023, the Bank convened 14 meetings of the Related Party (Connected) Transactions Control Committee under the Board of Directors, reviewing and approving 20 resolutions.

III. CREDIT RELATED PARTY TRANSACTIONS

As of the end of 2023, the Bank's net capital was RMB14,453,600,000, and the credit balance to the largest related party was RMB871,000,000, accounting for 6.03% of the Bank's net capital; the credit balance to the group customers of the largest related legal person or other organizations was RMB1,540,950,000, accounting for 10.66% of the Bank's net capital; the credit balance to all related parties was RMB4,485,115,000, accounting for 31.03% of the Bank's net capital. The Bank's credit balance to a related party did not exceed 10% of the

LETTER FROM THE BOARD

Bank's net capital, the credit balance to the group customers of a related legal person or other organizations did not exceed 15% of the Bank's net capital, and the credit balance to all related parties did not exceed 50% of the Bank's net capital, which were in line with the regulatory requirements.

(I) Credit Situation of General Related Party Transactions

As of the end of 2023, the Bank's credit balance of the general related party transactions was RMB432,880,500.

(II) Credit Situation of Significant Related Party Transactions

As of the end of 2023, the Bank's credit balance of the significant related party transactions amounted to RMB4,052,234,400.

(III) Asset Quality of Related Party Transactions

According to the classification of five levels, there is no non-performing assets in the related party transactions credit at the end of 2023.

IV. RELATED PARTY TRANSACTIONS IN SERVICES

In 2023, the Bank's related party transaction contracts in services had a total amount of RMB11,436,100.

The above-mentioned Report on Related Party Transactions for 2023 has been considered and approved by the Board, and will be submitted to the 2023 Annual General Meeting for consideration and approval by way of ordinary resolution.

8. 2024 Financial Budget Plan

According to the Bank's strategic development and business expansion needs, the 2024 total budget for operating expenses will be controlled within approximately RMB1,784 million, and such amount represents an increase of RMB77 million as compared to the operating expenses incurred by the Bank in 2023. The increase in the expenses for operating budget is primarily due to an increase in taxable income, resulting in a corresponding increase in surcharges of value-added tax, and an increase in business and administrative expenses.

The above-mentioned 2024 Financial Budget Plan has been considered and approved by the Board, and will be submitted to the 2023 Annual General Meeting for consideration and approval by way of ordinary resolution.

LETTER FROM THE BOARD

9. Engagement of External Auditors for 2024

The Board of Directors recommends and proposes to the 2023 Annual General Meeting for consideration and approval by way of ordinary resolution to reappoint PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) as the auditor of the financial statements in respect of China Accounting Standards for Business Enterprises for the year of 2024; and PricewaterhouseCoopers as the auditor of the financial statements in respect of IFRS for the year of 2024, the terms of which shall expire upon the conclusion of the 2024 annual general meeting of the Bank, and to authorize the Board to determine their remuneration.

The above resolution on the engagement of external auditors in 2024 has been considered and approved by the Board of Directors, and will be submitted to the 2023 Annual General Meeting for consideration and approval by way of ordinary resolution.

10. Proposed Election of Mr. HAN Zirong as an Independent Non-executive Director of the Eighth Session of the Board of Directors and Approval of His Remuneration

Reference is made to the announcement dated March 22, 2024 of the Bank in relation to, among other things, the proposed appointment of Independent Non-executive Directors.

Now the Board of Directors proposes to the 2023 Annual General Meeting by way of special resolution to approve the election of Mr. HAN Zirong (“**Mr. HAN**”) as the Independent Non-executive Director of the Bank (including his remuneration).

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 the expiration of the term of office of the eighth session of the Board.

For the biography of Mr. HAN, the candidate for Independent Non-executive Director, and proposed remuneration, please see Appendix III to this circular.

The nomination and remuneration committee of the Bank recommends candidates for Independent Non-executive Directors to the Board in accordance with the following selecting criteria and nomination procedures:

- identifying qualified individuals as Independent Non-executive Directors and selecting or making recommendations to the Board of Directors on selection of individuals nominated for independent non-executive directorships after due consideration of the requirements of the Company Law, the Law of the People’s Republic of China on Commercial Banks (《中華人民共和國商業銀行法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Corporate Governance Standards for Banking and Insurance Institutions (《銀行保險機構公司治理準則》), the Measures for Implementation of Administrative

LETTER FROM THE BOARD

Licensing Matters Concerning Chinese-Funded Commercial Banks (《中資商業銀行行政許可事項實施辦法》), the Listing Rules, the Basic Procedures for Reelection of City Commercial Banks in Sichuan (《四川法人城市商業銀行換屆工作基本流程》) and the Articles of Association, the Rules of Procedure for Shareholders' General Meetings, the Rules of Procedure for Board Meetings of the Bank and other laws and regulations, normative documents and documents in relation to internal governance with combination of the actual situation of the Bank's work and the contributions that such candidates may make to the Board with respect to the qualification, skills, experience, independence, gender diversity and other aspects; and

- assessing the independence of independent non-executive Directors with reference to the factors as set out in Rule 3.13 of the Listing Rules and any other factors the nomination and remuneration committee or the Board deems appropriate to determine their qualifications; assessing the sufficiency of time commitment of an independent non-executive Director to affairs of the Board in the event that the proposed independent non-executive Director shall hold his/her position as a director in seven (or more) listed companies.

When nominating Mr. HAN as an independent non-executive Director, the nomination and remuneration committee of the Bank has considered his rich experience and biographies in his areas of expertise (such as accounting and finance) and other experience, and satisfied that Mr. HAN possesses requisite quality, integrity and experience to perform his duties as independent non-executive Director in a continuous and effective manner. Contributions of Mr. HAN to the diversity of the Board of the Bank are set forth in the biography of Mr. HAN in Appendix III to this circular. In addition, Mr. HAN has confirmed to the Bank his compliance with the requirements regarding independence under Rule 3.13 of the Listing Rules in his election, therefore, the Board considers that Mr. HAN is independent.

11. Proposed Issue of and Authorization to the Board on Issuance of the SME Bonds

Reference is made to the announcement of the Bank dated March 22, 2024 in relation to, among other things, the proposed issue of the SME Bonds.

In order to replenish the Bank's debt sources, optimize its medium-and long-term debt structure, and further enhance the ability to serve SMEs, the Board proposes that a special resolution will be proposed at the 2023 Annual General Meeting, to approve the Bank's public issue of special financial bonds for loans to small and micro enterprises (the "SME Bonds") to all the members in the national inter-bank bond market in the aggregate amount of not more than RMB1.8 billion. Proceeds from the issue will be earmarked for the issuance to loans of small and micro enterprises and personal business loans to satisfy the need of business development.

LETTER FROM THE BOARD

The proposed issue of the SME Bonds is subject to obtaining the approval of the Shareholders by way of 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 PBoC
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

LETTER FROM THE BOARD

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 interest 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).

12. Proposed Issue of and Authorization to the Board on Issuance of Capital Supplementary Bonds

Reference is made to the announcement of the Bank dated March 22, 2024 in relation to, among other things, the proposed issue of Capital Supplementary Bonds.

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 that a special resolution will be proposed at the 2023 Annual General Meeting, to approve the Bank's public issue of certain capital supplementary bonds (the "**Capital Supplementary Bonds**") in the national inter-bank bond market 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 of the Shareholders by way of 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)

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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).

LETTER FROM THE BOARD

13. 2024 Fixed Assets Investment Plan

In accordance with the needs of business development of the Bank, the Bank plans to increase the fixed assets investment amounting to approximately RMB67.54 million in 2024, details of which are set out as follows:

- (i) approximately RMB43.40 million for hardware procurement for information technology projects (including purchase of hardware equipment, intelligent products and basic office IT equipment necessary for the construction of information systems);
- (ii) approximately RMB21.75 million for various investments in newly-established and renovated institutions (including commercial properties of branches);
- (iii) approximately RMB1.84 million for purchase of business vehicles; and
- (iv) approximately RMB0.55 million for other equipment and facilities.

The above-mentioned 2024 Fixed Assets Investment Plan has been considered and approved by the Board, and will be submitted to the 2023 Annual General Meeting for consideration and approval by way of special resolution.

14. Proposed Grant of Authorization in Relation to the Collection and Disposal of Bankruptcy

According to the Bank's internal authorization, the Board is authorised to decide on the disposal of all kinds of financial losses (including write-off of losses on loans) not exceeding the amount of RMB10.00 million.

In 2016, the Bank incurred two interbank investments in its operations, which were secured by the borrower using commercial real estate as collateral (“**Asset**”) and secured by pledges and guarantees. After the borrower defaulted, the Bank filed a lawsuit to the court and applied for enforcement successively. In the course of enforcement by the court, in 2023, the borrower entered into bankruptcy liquidation proceedings as one of its creditors filed for bankruptcy liquidation, therefore, the execution proceedings were suspended. As of the Latest Practicable Date, the borrower's bankruptcy liquidation was in the stage of creditors declaring their claims to the administrator. In order to protect the Bank's rights and interests to the greatest extent, the Bank has declared to the administrator the creditor's rights with principal of RMB638.35 million, interest of RMB175.658 million and litigation fees and attorney's fees of RMB4.32 million, and proposed to charge penalty interest of RMB158 million at the execution rate plus 50% from the expiration date, totaling RMB976.328 million. Whether the final amount of the claim is confirmed is subject to the ruling of the court.

LETTER FROM THE BOARD

Since it's impossible to predict the actual auction situation of the Asset, it cannot be determined if it would be included in the internal authorization scope, the disposal matter related to bankruptcy collection of the borrower shall be submitted to the general meeting of the Bank for consideration and approval. Based on the time requirement of notice of the creditors' meeting under the Enterprise Bankruptcy Law of the People's Republic of China (《中華人民共和國企業破產法》) and information from the bankruptcy administrator, if the relevant voting matters would be submitted to internal process of the Bank for approval after the time for the creditors' meeting is determined, the Bank's internal consideration and approval process of voting decisions at the stage of creditors' bankruptcy may not be completed from the perspective of time. Therefore, the Bank proposes a special resolution to the Shareholders at 2023 Annual General Meeting, to consider and approve the grant of authority such as "verifying claims; applying to the people's court to change the administrator, and reviewing the administrator's fees and remuneration; supervising the administrator; selecting and changing the members of the creditors' committee; deciding to continue or discontinue the debtor's business; adopting a reorganization plan; adopting a plan for the management of the debtor's property; passing the realization plan for the bankruptcy property; other authority that the people's court deems should be exercised by the creditors' meeting", etc., which may involve the Bank's power to vote at the creditors' meeting, to the Board, and allow the Board to further delegate to the chairman.

Based on the recent assessment by the appraisal agency, the appraisal price of such Asset was approximately RMB1,084.00 million. Taking into account the appraisal price of the Asset, the market commercial investment returns and the coverage of the principal and interest of the Bank's credit rights, for "passing the realization plan for the bankruptcy property" mentioned in the grant of authority above, the Bank has set a limit on the starting price of the Asset, and shall vote for the plan if the price is not less than the limit and vote against the plan if the price is less than the limit. The final realization plan shall be subject to the decision of the court.

The Bank has imposed serious accountability on the relevant personnel of the abovementioned interbank investments. The Bank has also carried out internal rectifications after risks of these interbank investments emerged, further improving the credit risk management system. In order to strengthen credit risk management and control and continue to maintain a relatively high level of asset quality, the Bank will also reform and reengineer the credit system, further clarify job responsibilities, optimize credit procedures, strengthen job checks and balances, build a professional credit team, and improve asset quality.

As the realization plan of the Asset has not yet been finalized, the effect of the actual losses arising from the actual settlement on the Bank's profits for the year concerned is still subject to further confirmation. The Bank will separately inform the Shareholders and potential investors of any further material development in relation to the disposal matter related to bankruptcy collection of the borrower as and when appropriate and make appropriate disclosure, if necessary, in accordance with the requirements of the Listing Rules.

LETTER FROM THE BOARD

15. Proposed Write-off of Certain Non-performing Loans

According to the Bank's internal authorization, the Board is authorised to decide on the disposal of all kinds of financial losses (including write-off of losses on loans) not exceeding the amount of RMB10.00 million.

In 2016 and 2021, the Bank generated three loans secured by mortgage, pledge and/or guarantee in the course of business. From July 2018 to May 2022, the borrowers and guarantors of these loans ceased or failed to perform their repayment obligations, and non-performing loans then resulted.

In order to revitalize existing credits efficiently and promote stable and sustainable development of the Bank, the Board has agreed to write off these three non-performing loans with a principal amount of RMB127.2782 million in total and the off-balance-sheet interest of RMB16.2323 million (the amount of actual write-off of interest is subject to the amount as at system accounting processing date) pursuant to the provisions under the Notice on Further Strengthening the Financial Management of State-Owned Financial Enterprises (《關於進一步加強國有金融企業財務管理的通知》) and the Measures for the Administration of the Write-Off of Bad Debts by Financial Enterprises (《金融企業呆賬核銷管理辦法》) of the MOF. Since the write-off of these three separate loans involves principal amounts of RMB63.50 million, RMB38.1089 million and RMB25.6693 million respectively, exceeding the internal authorization limit of RMB10.00 million, the Board proposes to submit three special resolutions to the Shareholders at the 2023 Annual General Meeting to consider and approve the write-off of the non-performing loans with a principal amount of over RMB10.00 million in respect of these three separate loans. According to the policy of the Bank on provisions for asset impairment, the Bank has already made impairment provisions of approximately RMB48.6340 million, RMB35.2683 million and RMB23.2427 million in respect of these three non-performing loans respectively, and if the principal amount of these three non-performing loans is to be written off, further impairment provisions of approximately RMB7.0471 million, RMB2.8406 million and RMB2.4266 million will be required in respect of such three non-performing loans respectively.

The Bank has imposed serious accountability on the relevant personnel of the abovementioned three non-performing loans. The Bank has also carried out internal rectifications after loan risks emerged, further improving the credit risk management system. In order to strengthen credit risk management and control and continue to maintain a relatively high level of asset quality, the Bank will also reform and reengineer the credit system, further clarify job responsibilities, optimize credit procedures, strengthen job checks and balances, build a professional credit team, and improve asset quality.

After writing off these three non-performing loans, the Bank will continue to collect such loans according to the principle of "records maintained after debts are written off". As of the Latest Practicable Date, the Bank has proposed procedures for these three non-performing loans including filing lawsuits with the relevant courts and applying for enforcement, and closely paid attention to the borrowers and guarantors and debt restructuring or bankruptcy reorganization of the relevant entities. The Bank will separately inform the Shareholders and potential investors of any further material development in relation to the above matters as and when appropriate and make appropriate disclosure, if necessary, in accordance with the requirements of the Listing Rules.

LETTER FROM THE BOARD

III. 2023 ANNUAL GENERAL MEETING

The Bank intends to convene the 2023 Annual General Meeting at 9:00 a.m. on Wednesday, May 22, 2024 at Meeting Room 1101, 11th Floor, Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC to consider and, if thought fit, pass resolutions in respect of the matters set out in the Notice of 2023 Annual General Meeting. The Notice of 2023 Annual General Meeting is set out on pages 43 to 48 of this circular.

Closure of Register of Members

In order to determine the list of Shareholders who are entitled to attend and vote at the 2023 Annual General Meeting, the H Share register of members of the Bank will be closed from Friday, May 17, 2024 to Wednesday, May 22, 2024 (both days inclusive). Shareholders who intend to attend and vote at the 2023 Annual General Meeting shall lodge all the transfer documents together with the relevant share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) (for H Shareholders) or the Bank's office of the Board of Directors (address: Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000) (for Domestic Shareholders) no later than 4:30 p.m. on Thursday, May 16, 2024.

Reply Slip and Form of Proxy

Shareholders who intend to appoint a proxy to attend the 2023 Annual General Meeting shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy should be returned, in person or by post, to Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) (for H Shareholders) or the Bank's office of the Board of Directors (Address: Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000) (for Domestic Shareholders) in any event no later than 24 hours before the time fixed for holding the 2023 Annual General Meeting or any adjourned meeting thereof (i.e. no later than 9:00 a.m. on Tuesday, May 21, 2024).

Shareholders who intend to attend the 2023 Annual General Meeting (or any adjourned meeting thereof) in person or by proxy shall complete and return the reply slip for attending the 2023 Annual General Meeting (or any adjourned meeting thereof) by hand, by fax or by post to the H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; fax number: +852-2865 0990) (for H Shareholders) or the Bank's office of the Board of Directors (Address: Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000; fax number: +86-830-3100625) (for Domestic Shareholders), such that the reply slip shall be received by the Bank 10 days before the 2023 Annual General Meeting (i.e. on or before Friday, May 10, 2024).

LETTER FROM THE BOARD

A Shareholder may complete the form of proxy of the Bank to appoint one or more persons (regardless of whether he/she is a Shareholder) to attend and vote at the 2023 Annual General Meeting (or any adjourned meeting thereof) on his or her behalf. A proxy does not need to be a Shareholder of the Bank.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2023 Annual General Meeting (or any adjourned meeting thereof) and completion and return of the reply slip do not affect the right of a Shareholder to attend and vote at the 2023 Annual General Meeting.

Voting by Poll at the 2023 Annual General Meeting

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the 2023 Annual General Meeting will therefore demand a poll for every resolution at the 2023 Annual General Meeting pursuant to the Articles of Association. On a poll, each Shareholder who attends the 2023 Annual General Meeting in person or by proxy (or where the Shareholder is a corporation, by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members of the Bank. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast the votes he/she/it used in the same manner.

IV. RECOMMENDATION

The Board of Directors (including Independent Non-executive Directors) considers that all the resolutions set out in the Notice of 2023 Annual General Meeting for consideration and approval by the Shareholders are in the best interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions set out in the 2023 Annual General Meeting which are to be proposed at the 2023 Annual General Meeting.

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

* *Luzhou 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.*

2023 WORK REPORT OF THE BOARD OF DIRECTORS

In 2023, in the face of the complex and challenging domestic and international economic and financial situation, as well as the increasingly fierce industry competition, our Board of Directors delved into the study and implementation of the spirit of the 20th National Congress of the Communist Party of China, strictly implemented the national, provincial, and municipal strategic deployments and work requirements, adhered to the general principle of making progress while ensuring stability, implemented new concept for development, served the new pattern of development, adhered to the origin of finance, strictly abided by the bottom line of risks, focused on improving quality and efficiency, and comprehensively promoted various work such as strengthening governance, preventing risks, promoting reform, and seeking development, in order to facilitate the high-quality development of the entire Bank.

I. Overall Operation in 2023

As of the end of 2023, the Bank's total assets amounted to RMB157,636 million, representing an increase of RMB9,007 million or 6.06% as compared to the beginning of the year; the Bank's balance of customer deposits amounted to RMB117,625 million, representing an increase of RMB8,179 million or 7.47% as compared to the beginning of the year; the Bank's balance of loans amounted to RMB93,039 million, representing an increase of RMB9,857 million or 11.85% as compared to the beginning of the year; the Bank's net profit for the year amounted to RMB994 million, representing a year-on-year increase of 23.12%; the Bank's rate of return on capital was 9.36%, with a NPLs ratio of 1.35%, maintaining a superior level compared to other city commercial banks in the province. While various indicators experienced rapid and steady growth, the Bank's sound business development was recognized by regulatory authorities and all circles of society, with a regulatory rating of 3A and a comprehensive evaluation from the People's Bank of China at an A level. In 2023, the Bank was awarded the "Best Inclusive Financial Institution of 2021-2022" (2021-2022年度最佳普惠金融機構) by the Sichuan Banking Association, selected as one of the "Exemplary Instances of Innovative Inclusive Financial Services in 2023" (2023年度銀行家普惠金融服務創新優秀案例) by The Banker, recognized as the "Inclusive Financial Pioneer Bank of 2023" (2023年度普惠金融先鋒銀行) in China's Financial Annual Champion Awards, designated as an "Enterprise Standards Front-Runner" (企業標準領跑者) by the National Financial Technology Certification Center (Beijing) Co., Ltd. (北京國家金融科技認證中心有限公司), and honored with the "Fintech Award of the Third Fintech Digital Innovation Application" (第三屆金融科技數智創新應用金科獎) presented by the Sichuan Association of Fintech.

II. Major Work in 2023

(I) Continuously strengthen corporate governance to solidify the foundation for high-quality development

- 1. Thoroughly promote the organic integration of Party leadership and corporate governance.** Our Board of Directors has consistently upheld the comprehensive leadership of the Party in financial work and adhered to the principle of "two-consistency

(consistently adhere to the Party’s leadership over State-owned enterprises; consistently develop a modern enterprise system as the direction of the reform of State-owned enterprises)”. We have clarified and implemented the statutory status of the Party organization in the corporate governance structure, continuously integrating the Party leadership into various aspects of corporate governance. In 2023, we actively revised the Articles of Association, separately establishing a chapter for the “Party Organization”, further clarifying the specific composition of the Party committee and discipline inspection commission; stipulating that major operational matters must be decided after pre-study by the Party committee; clarifying political construction responsibilities and personnel selection and appointment responsibilities; and specifying the specific proportion and budget arrangement of work expenses, continuously promoting the integration of Party leadership and corporate governance. Additionally, we further revised and improved the “Rules of Procedures for the Meeting of the Party Committee”, updated the List of Matters for Party Committee Research and Decision-Making, and Pre-study, strictly implemented the Party committee’s pre-study procedures, and fully exerted the leadership core and political core role of the Party committee in “setting direction, overseeing the overall situation, and ensuring implementation”.

2. **Continuously strengthen and perfect the corporate governance system.** Our Board of Directors attached great importance to the alignment of corporate governance system standards with the latest regulatory requirements and the practical development of the Bank, continuously strengthening the construction of the corporate governance system. In 2023, we strictly compared the latest domestic and foreign laws, regulations, and normative documents, combined with on-site inspection opinions from regulatory authorities, and drew on the experiences of domestic outstanding listed banks in the industry. We organized domestic and foreign lawyers to revise and improve the basic corporate governance systems such as the Articles of Association, Rules of Procedures for Shareholders’ General Meetings, Rules of Procedures for Board Meetings, Basic Internal Control Systems, Internal Audit Charter, Measures for the Administration of Related Party Transactions, Basic System for Comprehensive Risk Management, and Authorization Plan of the Board of Directors to the Chairman of the Board, among others. We also established new internal management systems for shareholders’ equity such as the Measures for the Management of Shareholders’ Commitments, Measures for the Management of Equity Pledges, and Equity Custody Measures. These efforts continuously enhanced the Bank’s corporate governance system, established and improved operational mechanisms in line with new regulatory requirements, and comprehensively enhanced the standardization and effectiveness of corporate governance.
3. **Diligently organize and ensure the efficient operation of the “two meetings” and their subordinate committees.** In 2023, our Board of Directors actively performed its duties, and strengthened the deliberation and decision-making on major issues in strict accordance with the regulatory policies and relevant provisions of the Articles of Association. Throughout the year, we held two general meetings, reviewing and approving 25 resolutions of various kinds; we held 11 meetings of the Board of Directors, deliberating and hearing 75 resolutions of various kinds and studying one document; the

six specialized committees under the Board of Directors convened a total of 32 meetings, deliberating and reviewing 51 resolutions of various kinds. The Board of Directors focused on matters such as the Bank's development strategy, capital management, risk control, internal audit, and related party transaction management. We adhered to pre-meeting comprehensive understanding, fully discussed and carefully decided during the meeting, and continued to monitor the implementation of the working mechanism after the meeting, effectively safeguarding the Bank's and shareholders' legitimate rights and interests.

4. **Successfully complete the qualification declaration of four directors and effectively strengthen the capacity building of the Board of Directors to perform their duties.** **Firstly**, the Board of Directors presented financial statements, management systems, various special audit reports, industry and peer comparison analysis reports, regulatory rules and inspection opinions, and materials for communication with external audit institutions to the directors on a monthly basis, effectively ensuring that external directors fully understand the Bank's operational development. **Secondly**, the Board of Directors actively organized directors to participate in various specialized training sessions organized by regulatory authorities, industry associations, and the Bank, and invited domestic and foreign lawyers to provide regular on-site specialized training for directors on green finance, anti-money laundering, directors' responsibilities and key points of changes in domestic and foreign regulatory policies, so as to continuously improve their ability to fulfill their duties. **Thirdly**, the Board of Directors successfully completed the qualification declaration and obtained regulatory approval for the appointment of four new directors, further optimizing the composition of the Board of Directors and raising the level of decision-making. **Fourthly**, the Board of Directors continued to optimize the mechanism for independent directors, regularly organizing specialized meetings for independent directors. These meetings focused on discussions regarding domestic and international economic conditions, industry status, the Bank's operational development and risk management, capital management and supplementation, as well as future work strategies. Independent directors leveraged their professional expertise to actively provide advice and suggestions to the Board, and express independent opinions and recommendations.

Upon review by the Board of Directors, the corporate governance policies and their implementation, including existing diversity policies, mechanisms for independent opinions, shareholder communication policies, reporting policies, anti-corruption policies, code of conduct, director and senior management training, among others, were examined. In 2023, our corporate governance policies and their implementation were deemed fully effective, meeting the governance requirements for listed companies.

(II) Continuously optimize capital management mechanisms to facilitate business structure adjustments

The Board of Directors effectively fulfilled its responsibilities in capital management, coordinating business development with the adequacy of capital, and continuously enhancing risk resilience. **Firstly**, it enhanced the construction of capital management systems. Through comprehensive review and multiple rounds of communication, the Board of Directors issued supplementary notices on capital management methods to ensure alignment between capital management systems and departmental duties. **Secondly**, it strengthened capital management. The Board of Directors continuously improved internal capital adequacy assessment mechanisms, reinforced capital measurement, monitoring, adjustment, and control, observed the pressure on capital adequacy under the stress scenarios of credit risk, market risk, liquidity risk, and interest rate risk in the banking book, and proactively formulated capital management plans to ensure that capital can adequately withstand risks and meet business development needs. **Thirdly**, it reinforced capital constraints. The Board of Directors gradually adjusted and optimized the on-balance-sheet and off-balance-sheet asset structures and customer structures, improved capital allocation efficiency, promoted the tilting of resources to key areas, and guided the entire Bank to prioritize the development of less capital-intensive businesses to enhance the level of capital gains. **Fourthly**, it proactively formulated capital replenishment plans. On one hand, the Board of Directors maintained stable internal accumulation, enhanced profitability, established reasonable profit distribution plans, and increased capital retention. On the other hand, it actively explored diverse methods of capital replenishment and prepared external capital replenishment plans. By prospectively assessing capital adequacy, it determined the issuance of capital replenishment bonds and other capital replenishment plans and methods to provide capital security for the Bank's sustained and stable development.

(III) Uphold bottom line of compliance and strengthen risk control capability

1. Continuously enhance the quality and effectiveness of internal control and compliance management. **Firstly**, the Board of Directors placed high importance on internal control and compliance management. It focused on key areas such as internal control governance structure, system framework, and internal control supervision and evaluation. It adhered to a goal-oriented approach, coordinated efforts comprehensively, and adopted a holistic approach to addressing root causes. It continually refined the train of thought in internal control and compliance management, revised basic internal control and compliance management systems, established mechanisms for internal control measures, internal control safeguards, and internal control evaluations, and clarified requirements for compliance culture and system development, compliance review, compliance inspection and rectification, compliance training and education, compliance assessment and accountability, compliance risk management and reporting, so as to improve the internal control and compliance management system and elevate the management quality and effectiveness in a comprehensive manner. **Secondly**, the Board of Directors strengthened internal and external audit supervision. It regularly listened to internal audit work reports, work plans, as well as reports on the work of external audit organizations. It reviewed special audit reports on various key areas, made comparison

with internal and external audit findings, and rigorously urged senior management to enhance rectification, continuously improving the effectiveness of audit rectification and effectively leveraging the internal audit as the third line of defense. **Thirdly**, the Board of Directors conducted special self-inspection on management risks. Led by the Chairman of the Board, all functional departments and branches of the Bank were required to start from the details, focus on practical matters, strictly compare the issues identified in internal and external audits, and regulatory supervision and inspection, and then thoroughly investigate and rectify management issues throughout the Bank from the perspectives of systems, mechanisms, processes, and responsibilities. This continuously enhanced the Bank's risk management capabilities, fostering a virtuous cycle mechanism of self-discovery, self-improvement, and self-growth.

2. **Continue to strengthen comprehensive risk management.** **Firstly**, the Board of Directors continued to optimize comprehensive risk management system. This involved the establishment and revision of 78 important risk management systems, including the Basic System for Comprehensive Risk Management, Reputation Risk Management Measures, Strategic Risk Management Measures, and Measures for Managing Criminal Cases, among others. The Board of Directors advanced the construction of risk-balancing mechanism activities, enhanced the management of group clients and approval meetings, revised 33 post-loan systems, and established a management system with “sound systems, clear rules, proper enforcement and effective supervision”. **Secondly**, the Board of Directors continued to stabilize asset quality. It flexibly utilized various measures, such as litigation, compulsory execution notarization, arbitration, non-litigation approaches, debt transfer, and write-offs, to collect and dispose of non-performing assets. Significant breakthroughs were achieved in the recovery of large non-performing loans, leading to a decrease in both the balance and the ratio of non-performing loans. **Thirdly**, the Board of Directors enhanced technological support for risk prevention and control. This involved the establishment of a backend center that carries the functions of a call center and an R&D center, the relocation of the disaster recovery center in Naxi, the overall upgrade of retail credit management platform, the launch of comprehensive credit management platform, and the optimization of financial devaluation system and online process for risk classification. **Fourthly**, the Board of Directors continued to reinforce risk prevention and control in key areas. It enhanced management of hidden debt and real estate concentration, and reduced the scale of hidden debt and real estate loans in an orderly manner. It reinforced monitoring and management of risk preference execution and risk limit controls. It regularly listened to senior management's operations report, risk profile analysis report, evaluation report of internal control, supervisory opinion letter and rectification report, continued to pay attention to the progress of risk screening and properly coped with credit risk, liquidity risk, market risk, operational risk, reputation risk, legal risk and other risks.

(IV) Standardize the management of shareholders' equity and carry out related party transactions in compliance with regulations

- 1. Shareholder governance.** **Firstly**, the Board of Directors actively assumed the ultimate responsibility for shareholding management and continued to promote the confirmation of existing shareholders' equity and the standardization of shareholders' information. Currently, the total number of shareholders with affirmed ownership reached 1,433, with a total confirmation ratio of 99.47%, further improving the equity structure of the Bank. **Secondly**, the Board of Directors standardized the behavior of shareholders and enhanced shareholder management capabilities. It established a ledger for managing shareholder information, continuously followed up on the situation of substantial and major shareholders, and promptly reported to regulatory authorities as required. Annually, it evaluated the performance and fulfillment of duties and contracts of substantial and major shareholders, strengthened their awareness of performing their duties and contracts, and strictly prevented the transfer of shareholders' interests. The rectification of the "two participation or one control" issue of major shareholders has been completed, improving the management level of major shareholders. **Thirdly**, the Board of Directors established new regulations including Measures for the Management of Equity Pledges, Measures for the Management of Shareholders' Commitments, and Equity Custody Measures, optimizing and enhancing the internal control mechanisms and workflow of shareholder equity management, further improving the level of shareholder equity governance.
- 2. Related party transactions.** **Firstly**, the Board of Directors revised and improved the rules and regulations governing related party transactions. This includes the issuance of the Notice on Regulating the Management of Related Party Transactions, Measures for the Administration of Related Party Transactions, and Rules of Procedures for the Related Party (Connected) Transaction Control Committee under the Board of Directors, to further standardize the management of related party transactions from both a systemic and procedural standpoint. **Secondly**, the Board of Directors continued to ensure proper disclosure of related party transactions. It strictly adhered to the requirements of the Measures for the Management of Related Transactions of Banking and Insurance Institutions to disclose the significant related party transactions on the Bank's official website on a transaction-by-transaction basis, as well as to regularly disclose quarterly general related party transactions and annual related party transactions. **Thirdly**, the Board of Directors continuously standardized the internal approval procedures for related party transactions, ensuring the smooth operation of both the Board and its subsidiary Related Party (Connected) Transactions Control Committee. In 2023, the Bank convened a total of 14 meetings of the Related Party (Connected) Transactions Control Committee under the Board of Directors, reviewing and approving 20 resolutions. **Fourthly**, the development of the related party transaction management system has been completed, with the system going live and entering the validation phase.

(V) Actively fulfill the obligation of information disclosure and effectively manage investor relations

Firstly, the Board of Directors conducted information disclosure in accordance with laws and regulations. The Board of Directors strictly followed the relevant requirements of domestic and foreign information disclosures, adhered to the principles of truthfulness, accuracy, timeliness and completeness, and actively made information disclosure. The Board of Directors has disclosed regular and temporary announcements, such as the annual results announcement, annual report, ESG report, report of environmental information disclosure, amendments to the Articles of Association, approvals for the qualifications of directors and senior management, which effectively protected investors' right to know and improved the transparency of the Bank. **Secondly**, the Board of Directors actively strengthened interaction with investors. The Board of Directors set up shareholder service line, telephone for investors inquiries and mailboxes of the secretary to the Board, established a register of shareholders' questions, timely answered inquiries from shareholders, news media and various investors, and showed the Bank's investment value objectively and comprehensively.

(VI) Uphold origin of finance and fulfill social responsibility

The Bank has always actively adhered to the business tenet of serving local communities and small and medium-sized enterprises, steadfastly upholding the financial essence of serving the people. **Firstly**, we were fully committed to supporting the development of small and micro enterprises. We continued to deepen the implementation of the "dual-small strategy" and regard "small industries and small businesses" as our core customers, focusing on industries related to people's livelihoods such as clothing, food, housing, and transportation. In line with the requirements of "two increases, one optimization, and one stability", we have formulated differentiated credit policies, specifically setting growth targets for inclusive small and micro loans, innovatively launching small and micro loan products, and establishing a "green channel" for approval. We prioritized the allocation of resources for inclusive small and micro loans, continuously reduced the comprehensive financing costs for small and micro enterprises, and actively promoted high-quality economic and social development in local areas. **Secondly**, we continued to strengthen green financial services. Adhering to the concept of green development, the Bank actively responded to the national "dual carbon" policy, establishing access standards and systems for green credit projects, focusing on industries and projects with green environmental protection, circular economy, and low-carbon economic development as key areas of credit funds, continuously increasing green credit investment, and promoting the development of green credit of the Bank. **Thirdly**, we strongly supported social welfare. We increased financial support for agriculture, rural areas, and farmers, raised the risk tolerance standards for agricultural loans, and improved the level of inclusive financial services in rural areas. We consolidated and expanded the achievements of poverty alleviation, and further deepened our support for rural revitalization efforts. We continued to carry out targeted assistance, participated in the "Chuan-Shu Model Student" Aid Award Philanthropic Initiative, supported the construction of the Care for the Next Generation Foundation in Luzhou City, and provided funds and materials to implement precision poverty alleviation through education. We also assisted in the post-disaster reconstruction in Gulin County after the rainstorm, providing financial support for the restoration of infrastructure such as water conservancy, electricity, and municipal facilities, to fully guarantee the daily water and electricity needs of residents.

III. Prospects for the Bank's Work in 2024

In 2024, the Board of Directors will earnestly implement the spirit of the Central Financial Work Conference and the Conference on Promoting the High-Quality Development of Finance, continue to adhere to the general principle of making progress while ensuring stability, closely follow the main theme of high-quality development, implement new concept for development, and coordinate efforts to strengthen the foundation, stabilize growth, prevent risks, and promote reforms. It will continue to enhance the Bank's development foundation, promote the Bank's concerted efforts in both quantity and quality in serving the high-quality development of the economy, spare no effort to achieve new breakthroughs, and construct a new development paradigm.

(I) Strengthen strategic orientation and provide strategic guidance

The Board of Directors will deeply understand and grasp the trends of economic and financial development, fully leveraging its role in strategic guidance. **Firstly**, it will deepen financial service provision. Adhering to the focus on core responsibilities and businesses, it will cater to the strategic direction of provinces and cities and the financial needs of local characteristic industries. It will increase credit support for advanced manufacturing, key industries, supply chains, and industrial chains, optimizing credit structure and directing credit resources towards the real economy, green projects, agricultural loans, and livelihood sectors. **Secondly**, it will drive the transformation and upgrading of key businesses. Various business segments will enhance resource sharing and channel integration, collaboratively promoting the transformation, upgrading, and quality and efficiency enhancement of corporate, retail, and financial market businesses to achieve operational goals of overall growth, structural optimization, and cost reduction. **Thirdly**, it will accelerate digital transformation. Upholding the integration and progress of technology and business, it will advance digital transformation in areas such as corporate, retail, and risk management, enhancing the capability of technology-enabled business development and risk management, thereby effectively enhancing the soft power of business development.

(II) Enhance governance mechanism for improved governance efficiency

Firstly, the Board of Directors will continuously strengthen the integration of Party leadership and corporate governance, rigorously implement the Party committee's pre-study procedures, and fully leverage the role of the Party committee in "setting direction, overseeing the overall situation, and ensuring implementation". **Secondly**, the Board of Directors will adhere to benchmarking regulatory corporate governance assessment standards, continuously optimize the overall organizational structure, institutional framework, and working mechanisms across the Bank, persistently refine the top-level design of modern corporate governance, and effectively translate institutional advantages into developmental strengths. **Thirdly**, the Board of Directors will continuously enrich the backgrounds of Board members, refine the implementation mechanism for Board decisions, timely appoint independent directors based on the expiration and appointment status of existing independent directors, further optimize the composition of the Board members, and enhance the decision-making

capabilities of the Board. **Fourthly**, the Board of Directors will continuously optimize mechanisms for related party transactions and equity management, explore the construction of systems for managing equity and related party transactions, establish and improve shareholder and related party documentation, strengthen management of equity pledges, and further improve the level of standardization, refinement, and informatization of related party transactions and equity management.

(III) Strengthen risk accountability and enhance risk management and control

The Board of Directors will continue to prioritize compliance and risk prevention. **Firstly**, it will further deepen the construction of the internal control and compliance management system, conduct self-assessment of risk management, strengthen performance evaluation of internal control and compliance, ensure the practical discovery and rectification of issues, enhance the cultural foundation and managerial effectiveness of internal control and compliance. **Secondly**, it will adhere to a prudent risk management philosophy, continuously improve policies, mechanisms, processes, and systems, etc., conduct risk management reforms, enforce comprehensive accountability, and foster staff abilities to identify and resolve issues. It will rigorously focus on risk prevention and control in key areas, intensify risk monitoring and early warning, expedite the resolution and disposal of non-performing assets, reinforce position supervision and checks, and maintain the stability of the Bank's asset quality.

(IV) Optimize capital structure and strengthen capital management

Firstly, anchoring to the long-term sustainable development, and in accordance with the requirements of the Administrative Measures for the Capital of Commercial Banks, the Board of Directors will strengthen the top-level design of capital management, formulate a new three-year capital plan, and maintain an appropriate level of capital to support the development of all business sectors of the Bank. **Secondly**, the Board of Directors will continuously elevate the level of capital management, adhering to the concept of refined capital management and the strategic direction of light capital development. It will strengthen the assessment of capital utilization, effectively harnessing the constraining and driving functions of capital. Gradually optimizing asset, business, and customer structures, it will explore a sustainable development path characterized by minimal capital consumption and high economic benefits. **Thirdly**, the Board of Directors will enhance the forward-looking and feasibility research on capital replenishment. In alignment with regulatory requirements and business development needs, it will timely utilize various financing tools to effectively replenish capital and consolidate the capital foundation based on factors such as market environment, financing efficiency, and costs.

2023 WORK REPORT OF THE BOARD OF SUPERVISORS

In 2023, under the adamant leadership of the Party committee of the Bank and with the support and cooperation of the Board of Directors and senior management, the Board of Supervisors took safeguarding the interests of the Shareholders and employees, and ensuring the long-term robust development of Luzhou Bank as the core goal. It strictly adhered to the relevant regulations and requirements of the Company Law, the Corporate Governance Standards for Banking and Insurance Institutions and the Articles of Association of the Bank, and “centered around effective supervision as a means to promote and improve our overall work”, closely integrating transformation strategies with key work tasks of the Bank, deepening the concept of supervision, improving the supervision system, effectively fulfilling its supervisory role and making great contributes to promoting transformation, enhancing internal controls, preventing risks, and enhancing the standard of corporate governance.

I. Major Work of the Board of Supervisors in 2023**(I) Continuously Strengthened the Leading Role of Party Building and Improved Corporate Governance**

The Board of Supervisors comprehensively implemented the decisions and deployments of the Party Central Committee, and continuously strengthened the leading role of party building in corporate governance. The Board of Supervisors earnestly adhered to regulatory requirements, carried out supervision work in a standardized manner, enhanced rectification of problems and constantly strengthened supervision in key areas, such as the performance of the Board of Directors and senior management, financial activities, risk management, internal control and strategic development. In 2023, the Board of Supervisors revised the Measures for the Evaluation of Performance of Duties by Directors and Supervisors, the content of some provisions of the Articles of Association involving the Board of Supervisors, the Rules of Procedure of the Board of Supervisors, the Rules of Procedure of the Nomination Committee and the Rules of Procedure of the Supervisory Committee. By continuously improving rules and regulations, the Board of Supervisors gave full play to its supervisory role, regulated the behavior of supervisors in performing their duties, formed a working pattern in which the Directors, Supervisors and senior management performed their respective duties and exercised checks and balances on each other, and enhanced the level of corporate governance.

(II) Strengthened Focused Supervision around Job Responsibilities

1. Fulfilling supervisory responsibilities by evaluating the performance of duties by the Board of Directors, Board of Supervisors and the senior management. In 2023, the Board of Supervisors continued to improve the mechanism for performance evaluation of Directors, Supervisors and senior management and their performance-related archives, and organized the performance evaluation of the Board of Directors and Board of Supervisors and their members as well as senior management members in 2022, focusing on the “five dimensions”, as well as incorporating key regulatory concerns such as Party leadership, business transformation, anti-money laundering and consumer protection into

the performance evaluation. During the evaluation process, the Board of Supervisors paid attention to communication and coordination with all parties, and fully listened to the internal and external evaluation opinions. Performance evaluation makes for effective checks and balances of corporate governance and increased performance efficiency of the Board of Directors, Board of Supervisors and senior management.

- 2. Strengthening daily supervision and effectively performing the function of supervision.** The supervisors oversaw the decision-making of major matters and the Bank's operating activities by attending the meetings of the Board of Supervisors, attending the meetings of the Board of Directors as observers, attending the Shareholders' general meetings, and via the attendance of the employee supervisor at the employee representative meeting and the attendance of the chairman of the Board of Supervisors at the meetings of the Party committee, and pursuant to the law, they supervised whether the meeting agendas and resolutions were in compliance with the laws and regulations or not. In 2023, the Board of Supervisors convened 11 meetings of the Board of Supervisors in total, during which it considered and approved 55 resolutions including the Bank's business plan, financial budget, audit plan, profit distribution, and management remuneration assessment methods, and listened to 12 reports on matters such as business status and risk status analysis.
- 3. Conducting multi-channel surveillance to improve the quality and efficiency of duty performance by supervisors.** Focusing on the transformation of the Bank's business development, the Board of Supervisors carried out research work in branches and supervised the implementation of internal compliance and risk management of branches. It integrated the internal control and internal audit workforce, conducted special inspections on information technology risks, learnt from other banks and Party and government organizations the ways and means of controlling information technology risks, and put forward the supervisory opinions on the construction of the "four systems" for information technology risk management. It also carried out the mid-term evaluation of the "14th Five-Year Plan" development plan, special supervision of the activities of the credit risk check and balance mechanism in Luzhou, and supervision of the implementation and rectification progress of the reminder letters issued from 2020 to 2022. The Vice President and the Chief Information Officer were invited to lead their divisions to the Board of Supervisors to give a report on their work. By effectively spreading the message of supervision, these measures helped to increase the quality and effectiveness of supervision and inspection by the Board of Supervisors.

4. **Strengthened financial supervision to effectively safeguard Shareholders' rights and interests.** The Board of Supervisors supervised budgeting preparation, budget implementation, profit distribution plan, connected transaction, and deliberated and reviewed relevant proposals and reports. It paid attention to the decision-making and implementation of important financial matters, deliberated on the 2023 Final Financial Accounts report, 2024 Financial Budget Plan, and the renewal of employment of the accounting firm. It kept abreast of the financial operations, regularly listened to reports on operations, monitored changes in financial indicators in a timely manner, and practically furthered its efforts in financial supervision.
5. **Opened up communication channels and established a risk check and balance system.** The Board of Supervisors enhanced the feedback mechanism for supervision and inspection. This includes providing timely feedback on inspection and supervision to the Board of Directors and the management, and putting forward opinions and suggestions for improvement. It strengthened supervision on the risk management department, internal control and compliance department, internal audit department and other departments that serve as the second and third lines of defense. This can be accomplished by improving understanding of risk management measures and specific measures, and by forming a risk check and balance mechanism with clear workflows, defined departmental roles and effective coordination.

II. The Performance of Duties by Members of the Board of Supervisors

In 2023, according to the laws and regulations, regulatory requirements and Articles of Association of the Bank, all members of the Board of Supervisors performed supervision duties conscientiously, diligently and faithfully in compliance with the laws and regulations. Throughout the year, the Board of Supervisors organized the attendance of Supervisors at 2 general meetings, 5 meetings of the Board of Directors and 11 meetings of the Board of Supervisors, with the attendance rate of 96%. All Supervisors worked in the Bank for more than 15 days, which was in line with the performance requirements. All Supervisors gave full play to their professional knowledge and working experience, and put forward comments and suggestions on the Bank's business development and risk control, which played an important role to promote the development of the Bank, improve corporate governance, and enhance the supervisory level of the Board of Supervisors.

III. The Board of Supervisors' Independent Opinions on the Relevant Matters

(I) Operation in accordance with the law

The Board of Supervisors is of the view that during the Reporting Period, facing the severe and complex external environment, the management focused on the tasks and objectives set by the Board of Directors, fully implemented business transformation, made every effort to prevent and control risks, carried out internal management reforms with precision, and successfully completed all the established plans, significantly improving the quality of the Bank's development and management foundation. The senior management could actively

implement the resolutions approved by the Board of Directors, without the situation of not executing or execution without results. The Board of Supervisors has not found that the Board of Directors or senior management has violated laws, regulations and the Articles of Association or has damaged the interests of Shareholders.

(II) Internal control

The Board of Supervisors is of the view that during the Reporting Period, the Board of Directors and senior management continued to improve the construction of the internal control system. In accordance with the requirements of the standardized system of corporate internal control and on the basis of the existing internal control system, it continuously strengthened the implementation of the internal control system, enhanced internal control supervision and inspection, continuously monitored and reviewed the operation and performance of its own risk management system, optimized the internal control evaluation methods, and continuously carried out the revision and improvement of the Bank's systems in conjunction with business development and management needs. In 2023, 18 new systems were created and 72 systems were revised. No significant deficiencies in internal control were identified during the year, and the Board of Supervisors had no objections to the internal control evaluation report.

(III) Risk management

The Board of Supervisors is of the view that during the Reporting Period, the Board of Directors and senior management attached great importance to risk management, strictly enforced risk appetite, strengthened the management of large-amount credit, and actively promote the optimization and upgrading of credit assets by continuously strengthening risk management and control measures and optimizing the effectiveness and efficiency of risk identification, analysis, assessment and mitigation. It regularly considered annual risk management strategies, comprehensive risk management reports, non-performing asset disposal reports, consumer rights and interests protection work plans, anti-money laundering work reports and other proposals. It continuously improved the comprehensive risk management mechanism, took the opportunity of promoting the rectification of issues reported in inspections to launch a large-scale investigation of management risks and fully promote the rectification based on regulatory opinions and regulatory findings, so as to strengthen the foundation of development and enhance the quality of development. There were no risk cases or significant risk incidents occurred throughout the year. The overall risk was effectively under control.

(IV) Management of the expected credit loss approach

The Board of Supervisors is of the view that during the Reporting Period, the Board of Directors and the senior management conducted a comprehensive assessment and optimization of the implementation of the expected credit loss approach, carried out a gap analysis of the implementation of the expected credit loss approach, assessed the extent of the impact of the gaps on the implementation of the expected credit loss approach, made adjustments and updates mainly based on the implementation parameters of the expected credit loss approach

as well as the forward-looking model and the macro-forecasts, completed the revamping and upgrading of the impairment system for expected credit losses, further standardized the internal control mechanism and management process for the implementation of the expected credit loss approach, consolidated the foundation for the implementation of the expected credit loss approach, and enhanced the implementation of the expected credit loss approach.

(V) Truthfulness of financial report

The annual financial report has been audited by PricewaterhouseCoopers Zhongtian LLP (Special General Partnership) and PricewaterhouseCoopers in accordance with domestic and international accounting standards, and a standard unqualified audit report has been issued. After careful review, the Board of Supervisors considers that the financial report objectively reflects the financial situation and operation results of the Bank.

(VI) Implementation of information disclosure

The Board of Supervisors is of the view that during the Reporting Period, the Bank had taken the initiative to accept public supervision and made announcements on sensitive information such as corporate governance, senior management changes and major investments in addition to regular performance disclosure according to laws. No false records, misleading statements or major omissions in the disclosed information were found.

IV. 2024 Work Plan

In 2024, the Board of Supervisors will continuously implement the spirit of the 20th National Congress of the Communist Party of China by constantly promoting the organic integration of Party leadership and corporate governance. Under the leadership of the Party committee of the Bank, it will effectively implement various regulatory requirements, focus on the key areas and major tasks of the Bank, conscientiously fulfill its supervisory duties, and continuously improve the quality of work, so as to play its due role in promoting the goal of Luzhou Bank to be “more accurate, faster, and stronger”.

(I) Continuously improving the quality and efficiency of deliberations

In strict accordance with laws, regulations and regulatory requirements, the Board of Supervisors will hold various meetings in a standardized and efficient manner, and add and adjust the topics and matters for deliberations in key supervisory areas in a timely manner to enhance the level of refined management. It will give full play to the role of letters from the Board of Supervisors, improve the tracking and evaluation of opinions and recommendations, and effectively enhance the quality and efficiency of the Board of Supervisors’ deliberations.

(II) Continuously strengthening supervision in key areas

The Board of Supervisors will focus on financial activities, internal control, risk management and performance of Directors, Supervisors and senior management, continue to deepen the content of supervision, constantly enrich the elements of supervision, and carry out supervision at multiple levels by conducting research, inspection, special supervision and commissioning internal and external audits to effectively enhance the pertinence of supervision.

(III) Integrating resources to enhance the synergy of supervision

The Board of Supervisors will establish a comprehensive supervision system of “the Board of Supervisors + Discipline Inspection, the Board of Supervisors + Audit, the Board of Supervisors + Compliance”, strengthen information communication and overall arrangements, effectively integrate internal control and supervision resources through “function borrowing”, strengthen the application of the results, improve work efficiency and quality, and enhance the effectiveness of supervision.

(IV) Consolidating the work foundation of the Board of Supervisors

The Board of Supervisors will pay close attention to the forefront issues of corporate governance at home and abroad, sort out and communicate the trends of regulatory policies and the latest laws and regulations in line with the Bank’s strategic planning, continuously strengthen internal and external communication, optimize the knowledge structure of supervisors, raise their awareness of compliance, and provide training and learning as appropriate so as to continuously improve the professionalism in performing their duties.

**APPENDIX III BIOGRAPHY OF MR. HAN ZIRONG, THE CANDIDATE
FOR INDEPENDENT NON-EXECUTIVE DIRECTOR
AND PROPOSED REMUNERATION**

The biography of Mr. HAN, the candidate for Independent Non-executive Director of the eighth session of the Board of Directors and proposed remuneration are as below:

Mr. HAN Zirong, aged 60, has been a partner of the Shenzhen Branch of BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)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 WUYIGE Certified Public Accountants LLP (大信會計師事務所(特殊普通合夥)) from October 2008 to November 2012, a managing partner of Shenzhen Finance Accounting Firm LLP (深圳融信會計師事務所(特殊普通合夥)) from September 1997 to October 2008, an assistant to director of Shenzhen Audit Firm (深圳市審計師事務所) 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, 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, a director of the seventh session of the Shenzhen Institute of Certified Public Accountants since March 2021 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 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, a director of the sixth session of Shenzhen Institute of Certified Public Accountants from November 2016 to November 2020, 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, 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 Bank will enter into a service contract with Mr. HAN. During his tenure as an Independent Non-executive Director, Mr. HAN will receive Independent Non-executive Director'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.

**APPENDIX III BIOGRAPHY OF MR. HAN ZIRONG, THE CANDIDATE
FOR INDEPENDENT NON-EXECUTIVE DIRECTOR
AND PROPOSED REMUNERATION**

Save as disclosed above, as of the Latest Practicable Date, 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 Listing Rules) of the Bank.

Furthermore, save as disclosed above, as at the Latest Practicable Date, 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 that need to be brought to the attention of the Shareholders.

NOTICE OF 2023 ANNUAL GENERAL MEETING



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)

NOTICE OF 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that 2023 Annual General Meeting (the “**2023 Annual General Meeting**”) of Luzhou Bank Co., Ltd. (the “**Bank**”) will be held at 9:00 a.m. on Wednesday, May 22, 2024 at Meeting Room 1101, 11th Floor, Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the People’s Republic of China (the “**PRC**”) to consider and, if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

1. to consider and approve the 2023 annual report of the Bank;
2. to consider and approve the 2023 work report of the board of directors of the Bank;
3. to consider and approve the 2023 work report of the board of supervisors of the Bank;
4. to consider and approve the 2023 evaluation report on the performance of duties by the Directors, Supervisors and senior management of the Bank;
5. to consider and approve the final financial accounts of the Bank for 2023;
6. to consider and approve the 2023 profit distribution plan of the Bank;
7. to consider and approve the report on related party transactions of the Bank for 2023;
8. to consider and approve the 2024 financial budget plan of the Bank;
9. to consider and approve the engagement of domestic and overseas auditors of the Bank and the authorization to the Board to determine their remuneration for 2024;

SPECIAL RESOLUTIONS

10. to consider and approve the election of Mr. HAN Zirong as an Independent Non-executive Director of the eighth session of the Board of Directors and to consider and approve his remuneration;

NOTICE OF 2023 ANNUAL GENERAL MEETING

11. to consider and approve:
 - (a) to issue special financial bonds for loans to small and micro enterprises (the “**SME Bonds**”); and
 - (b) 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 interest 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).

12. to consider and approve proposals on the issuance of the capital supplementary bonds, including:
 - 12.1 to consider and approve:
 - (a) to issue capital bonds without a fixed term of no more than RMB1.0 billion in 2024 (the “**2024 Capital Bonds without a Fixed Term**”); and
 - (b) 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 and 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 2024 Capital Bonds without a Fixed Term 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,

NOTICE OF 2023 ANNUAL GENERAL MEETING

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 relevant regulatory authorities (if any).

12.2 to consider and approve:

- (a) to issue capital bonds without a fixed term of no more than RMB1.8 billion in 2025 (the “**2025 Capital Bonds without a Fixed Term**”); and
- (b) 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 and 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 2025 Capital Bonds without a Fixed Term 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 relevant regulatory authorities (if any).

12.3 to consider and approve:

- (a) to issue tier-two capital bonds of no more than RMB1.8 billion in 2025 (the “**2025 Tier-Two Capital Bonds**”); and

NOTICE OF 2023 ANNUAL GENERAL MEETING

- (b) 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 2025 Tier-Two Capital 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).

- 13. to consider and approve the 2024 fixed assets investment plan of the Bank;

- 14. to consider and approve:
 - (a) to grant such authority as “verifying claims; applying to the people’s court to change the administrator, and reviewing the administrator’s fees and remuneration; supervising the administrator; selecting and changing the members of the creditors’ committee; deciding to continue or discontinue the debtor’s business; adopting a reorganization plan; adopting a plan for the management of the debtor’s property; passing the realization plan for the bankruptcy property; other authority that the people’s court deems should be exercised by the creditors’ meeting”, etc., which may involve the Bank’s power to vote at the creditors’ meeting during bankruptcy collection, to the Board, and allow the Board to further delegate to the chairman; and

 - (b) for “passing the realization plan for the bankruptcy property” mentioned in the grant of authority above, to set a limit on the starting price of the Asset.

NOTICE OF 2023 ANNUAL GENERAL MEETING

15. to consider and approve the write-off of the non-performing loans for each of these following three separate loans with a principal amount of over RMB10.00 million and interest thereof by the Bank:

15.1 The write-off of a non-performing loan with a principal amount of RMB63.50 million and interest thereof for a separate loan;

15.2 The write-off of a non-performing loan with a principal amount of RMB38.1089 million and interest thereof for a separate loan; and

15.3 The write-off of a non-performing loan with a principal amount of RMB25.6693 million and interest thereof for a separate loan.

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

Luzhou, the PRC
April 30, 2024

* *Luzhou 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.*

NOTICE OF 2023 ANNUAL GENERAL MEETING

Notes:

1. The register of members of the Bank will be closed from Friday, May 17, 2024 to Wednesday, May 22, 2024 (both dates inclusive), during which period no transfer of shares of the Bank (the “**Shares**”) will be registered. In order to be entitled to attend and vote at the 2023 Annual General Meeting, all transfer documents together with the relevant share certificates must be deposited to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders) or the Bank’s office of the Board of Directors (Address: Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC) (for Domestic Shareholders) for registration by no later than 4:30 p.m. on Thursday, May 16, 2024.
2. A shareholder of the Bank (the “**Shareholder**”) who is entitled to attend and vote at the 2023 Annual General Meeting may appoint one or more proxies (the “**Proxy**” or “**Proxies**”) to attend and, in the event of a poll, vote on his or her behalf. A Proxy need not be a Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of the attorney duly authorized by a Shareholder in writing. In the case of a corporate Shareholder, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorized to sign the same.
4. In order to be valid, the form of proxy must be deposited to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000) (for Domestic Shareholders), not less than 24 hours before the time for holding the 2023 Annual General Meeting (i.e. not later than 9:00 a.m. on Tuesday, May 21, 2024). If the form of proxy is signed by a person under a power of attorney or other authority, a notarial certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the 2023 Annual General Meeting or any adjourned meetings thereof should he/she so wishes.
5. Shareholders shall produce their identity documents and supporting documents in respect of the Shares held when attending the 2023 Annual General Meeting. If a corporate Shareholder appoints an authorized representative to attend the 2023 Annual General Meeting, the authorized representative shall produce his/her identity documents and a notarial certified copy of the relevant authorization instrument signed by the board of directors or other authorized parties of the corporate Shareholders or other notarial certified documents allowed by the Bank. Proxies shall produce their identity documents and the form of proxy signed by the Shareholders or their attorney when attending the 2023 Annual General Meeting.
6. Shareholders who intend to attend and vote at the 2023 Annual General Meeting should complete and return the reply slip in writing by hand, by fax or by post to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong; fax number: +852-2865 0990) (for H Shareholders) or the office of the Board of Directors of the Bank (Address: Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan Province, the PRC, Postcode: 646000; fax number: +86-830-3100625) (for Domestic Shareholders) on or before Friday, May 10, 2024.
7. The 2023 Annual General Meeting is expected to be held for less than half a day. Shareholders who intend to attend the 2023 Annual General Meeting shall arrange and bear their own transportation and accommodation expenses.
8. The name and address of the Bank’s H Share Registrar are as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong
Tel: +852-2862 8555
Fax: +852-2865 0990
9. The registered address of the Bank in the PRC is as follows:

Building 1, No.18, Section 3, Jiucheng Avenue, Jiangyang District
Luzhou City
Sichuan Province
the PRC
Contact person: office of the Board of Directors
Tel: +86-830-2362606
Fax: +86-830-3100625