
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Zhongyuan Bank Co., Ltd.***, you should at once hand this circular, together with the form(s) of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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中原銀行股份有限公司*
ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2023
FINAL ACCOUNT REPORT FOR 2023
FINANCIAL BUDGET REPORT FOR 2024
PROFIT DISTRIBUTION PLAN FOR 2023
CAPITAL ADEQUACY RATIO REPORT FOR 2023
AND CAPITAL ADEQUACY RATIO PLAN FOR 2024
DIRECTORS REMUNERATION REPORT FOR 2023
SUPERVISORS REMUNERATION REPORT FOR 2023
ENGAGEMENT OF AUDITORS FOR 2024
NOTICE OF 2023 ANNUAL GENERAL MEETING

The Letter from the Board is set out on pages 1 to 13 of this circular.

The Bank will physically hold the AGM at 3:00 p.m. on June 21, 2024 (Friday) at the Dahe Jinyue Hotel, No. 2 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC. The notice of the AGM is set out on pages AGM-1 to AGM-4 of this circular, and was despatched to the H Shareholders of the Bank on May 31, 2024 (Friday) in the manner in which the H Shareholders of the Bank selected to receive corporate communications and is available on the website of the Stock Exchange at www.hkexnews.hk and the Bank's website at www.zybank.com.cn.

Whether or not you intend to attend and/or vote at the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the form of proxy to the H Share Registrar (for the H Shareholders) or to the office of the Board (for the Domestic Shareholders) as soon as possible and in any event not less than 24 hours before the scheduled time for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending in person or voting at the AGM or any adjournment thereof should you so wish. The form of proxy for the AGM was despatched to the H Shareholders of the Bank on May 31, 2024 (Friday) in the manner in which the H Shareholders of the Bank selected to receive corporate communications and is available on the website of the Stock Exchange at www.hkexnews.hk and the Bank's website at www.zybank.com.cn.

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

May 31, 2024

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DEFINITION

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

| | |
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| “AGM” or “2023 Annual General Meeting” | the 2023 annual general meeting to be physically held by the Bank at the Dahe Jinyue Hotel, No. 2 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC at 3:00 p.m. on June 21, 2024 (Friday) |
| “Articles of Association” | the articles of association of the Bank, as amended, supplemented or otherwise modified from time to time |
| “Bank” or “Zhongyuan Bank” | Zhongyuan Bank Co., Ltd. (中原銀行股份有限公司), a joint stock company incorporated on December 23, 2014 in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange, and, if the context requires, includes its predecessors, branches, sub-branches and subsidiaries |
| “Board” or “Board of Directors” | the Board of Directors of the Bank |
| “Board of Supervisors” or “Supervisory Committee” | the Board of Supervisors or Supervisory Committee of the Bank |
| “CBIRC” | China Banking and Insurance Regulatory Commission, a former name of the National Financial Regulatory Administration |
| “Company Law” | the Company Law of the People’s Republic of China |
| “Director(s)” | the director(s) of the Bank |
| “Domestic Share(s)” | the ordinary share(s) issued by the Bank in the PRC with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid up in RMB |
| “Domestic Shareholder(s)” | the holder(s) of Domestic Share(s) |
| “Group” | Zhongyuan Bank Co., Ltd. (中原銀行股份有限公司), a joint stock company incorporated on December 23, 2014 in the PRC with limited liability pursuant to the relevant PRC laws and regulations, and, if the context requires, includes its predecessors, branches, sub-branches and all subsidiaries |

DEFINITION

| | |
|---------------------|---|
| “H Share(s)” | the overseas-listed ordinary share(s) in the share capital of the Bank, which is/are listed on the Main Board of the Stock Exchange (stock code: 1216) and traded in Hong Kong dollars, and has a nominal value of RMB1.00 each |
| “H Share Registrar” | Computershare Hong Kong Investor Services Limited, the H share registrar of the Bank |
| “H Shareholder(s)” | the holder(s) of the H Share(s) |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Hong Kong dollars” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” or “China” | the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan of the PRC |
| “Reporting Period” | the year ended December 31, 2023 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, including the Domestic Share(s) and the H Share(s) |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supervisor(s)” | the supervisor(s) of the Bank |
| “%” | per cent |

Certain amounts and percentage figures in this circular have been subject to rounding adjustments. Accordingly, figures shown as currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

LETTER FROM THE BOARD

中原銀行股份有限公司* ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

Executive Director:

Mr. GUO Hao

Non-executive Directors:

Ms. ZHANG Qiuyun

Mr. FENG Ruofan

Ms. ZHANG Shu

Independent non-executive Directors:

Mr. XU Yiguo

Ms. ZHAO Zijian

Mr. WANG Maobin

Mr. PAN Xinmin

Mr. GAO Pingyang

Registered office in the PRC:

Zhongke Golden Tower
No. 23 Shangwu Waihuan Road
Zhengdong New District
Zhengzhou
Henan Province, the PRC

**Principal place of Business
in Hong Kong:**

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

To the Shareholders:

**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2023
FINAL ACCOUNT REPORT FOR 2023
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ENGAGEMENT OF AUDITORS FOR 2024
NOTICE OF 2023 ANNUAL GENERAL MEETING**

I. INTRODUCTION

The Bank will physically hold the AGM at 3:00 p.m. on June 21, 2024 (Friday), at which resolutions will be proposed for the Shareholders to consider and approve, if thought fit, the following, including: (1) the Work Report of the Board of Directors for 2023; (2) the Work Report of the Board of Supervisors for 2023; (3) the Final Account Report for 2023; (4) the Financial Budget Report for 2024; (5) the Profit Distribution Plan for 2023; (6) the Capital Adequacy Ratio Report for 2023 and Capital Adequacy Ratio Plan for 2024; (7) the Directors Remuneration Report for 2023; (8) the Supervisors Remuneration Report for 2023; and (9) the Engagement of Auditors for 2024.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the details of the resolutions above. The notice of the AGM is set out on pages AGM-1 to AGM-4 of this circular, and was despatched to the H Shareholders of the Bank on May 31, 2024 (Friday) in the manner in which the H Shareholders of the Bank selected to receive corporate communications and is available on the website of the Stock Exchange at www.hkexnews.hk and the Bank's website at www.zybank.com.cn.

II. MATTERS TO BE RESOLVED AT THE AGM

1. Work Report of the Board of Directors for 2023

For the Work Report of the Board of Directors for 2023, please refer to Appendix I to this circular.

2. Work Report of the Board of Supervisors for 2023

For the Work Report of the Board of Supervisors for 2023, please refer to Appendix II to this circular.

3. Final Account Report for 2023

For the audited final accounting for the year ended December 31, 2023, which was prepared in accordance with the IFRS, please refer to the financial statements in the annual results announcement as of December 31, 2023 of the Bank dated March 28, 2024.

4. Financial Budget Report for 2024

In order to implement the requirements of the provincial Party committee and the provincial government's guidance on supporting the Bank's high-quality development to build a first-class city commercial bank, the Bank safeguards the Bank's good market image, and maximizes its revenue and sustainable development under capital constraints. Combining with the domestic economic situation, regional environment and regulatory policies, the Bank fully considers the current actual situation of the Bank, and formulates the Financial Budget Report for 2024 of the Bank with a view to solving problems, seeking common development, and focusing on the present and long-term development.

I. Preparation principles

This budget takes into account the domestic economic situation, the regional environment of Henan Province, regulatory policies and the current business development of Zhongyuan Bank, and is based on the local characteristics and differentiation of the Bank's resource endowment. It focuses on the capital-light and cost-light orientation, adheres to the efficiency orientation, and

LETTER FROM THE BOARD

strengthens the efforts in controlling the new while addressing the existing ones, so as to promote the continual optimization of the Bank's asset and liability structure, ensure that the core indicators are gradually improving, speed up the establishment of a new development pattern, and build up a positive market image of the Bank. Specifically, this budget adheres to the following principles:

Firstly, solidifying the leadership of Party building and maintaining compliance operation. We always insisted on strict governance of the Party and the Bank, and took strengthening the overall leadership of the Party as the guiding principle, deeply and organically integrated Party building work with business development, so as to gather strength and stimulate vitality for the promotion and implementation of the Bank's business development. We firmly established the business philosophy of compliant development, earnestly performed various responsibilities of legal compliance management, continued to prevent major violations of laws and regulations, major cases and operational risk events, and ensured the steady development of the entire bank.

Secondly, clarifying the positioning and supporting development. We clearly defined our development positioning, focusing on regional economic development in Henan, grasping regional endowments, deepening customer relationships, serving the local real economy, and promoting high-quality development in Henan. We closely followed the national and provincial "industrial policies", seized key opportunities, and cultivated new formats for business development. We gave full play to our advantages of deeply cultivating local areas, explored business opportunities based on local economic development, focused on serving regional characteristic customer groups, established comparative advantages, and improved the Bank's differentiated competitiveness.

Thirdly, insisting on lightweight orientation and improving quality and efficiency. We implemented a light-capital orientation, reasonably arranged scale growth within the constraints of available capital, resolutely suppressed inefficient and ineffective assets, actively adjusted the asset structure, revitalized stock assets, and continued to reduce the bank-wide RWA coefficient. We strengthened full cost control, strictly controlled expenditures, actively improved average network and employee production capacity, continuously improved input-output efficiency, and promoted light-cost transformation. We implemented the concept of high-quality development, adhered to the quality-efficiency orientation, implemented refined management, improved operating efficiency, and increased income levels.

LETTER FROM THE BOARD

II. Financial budget indicators of the parent bank

(I) Scale indicators

Total assets are expected to be RMB1,276.3 billion, and total deposits are expected to be RMB858.8 billion at the end of 2024.

(II) Performance indicators

Net profit is expected to reach RMB2.8 billion, and cost-to-income ratio is expected to reach 48.09% in 2024, among them, donation expenses are RMB2 million.

(III) Non-performance indicators

The non-performing loan ratio is estimated to be controlled within 2.2% by the end of 2024.

LETTER FROM THE BOARD

III. Financial budget indicators of the Group

(I) Scale indicators

Total assets are expected to be RMB1,320.0 billion, and total deposits are expected to be RMB889.0 billion at the end of 2024.

(II) Performance indicators

The Group's net profit is expected to reach RMB2,587 million, and cost-to-income ratio is expected to reach 47.11% in 2024. In accordance with the salary-efficiency linkage, the budget for the Group's total salary amounted to RMB3,965 million, taking into account the actual achievement of the Bank's net profit and relevant salary policies ultimately and subject to the approval of the Finance Department of Henan Province.

(III) Non-performance indicators

The non-performing loan ratio is estimated to be controlled within 2.25% by the end of 2024.

LETTER FROM THE BOARD

5. Profit Distribution Plan for 2023

According to the relevant laws and regulations, the Profit Distribution Plan for 2023 proposed by the Board at the AGM for consideration by the Shareholders is as follows:

As audited and confirmed by KPMG Huazhen LLP and KPMG, the Bank's parent company recorded a net profit of RMB3.035 billion for 2023. Considering that the Bank has paid a dividend of RMB0.623 billion on the overseas preference shares and perpetual bonds interest of RMB0.192 billion this year, the profit available for distribution is RMB5.625 billion. The Profit Distribution Plan for 2023 of the Bank is as follows:

I. Statutory surplus reserve

The Bank shall appropriate 10% of its net profit for 2023, equivalent to RMB0.304 billion, to the statutory surplus reserve in accordance with the Company Law.

II. General risk reserve

In accordance with the relevant provisions of the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) (《金融企業準備金計提管理辦法》(財金[2012]20號)) issued by the Ministry of Finance, the Bank shall appropriate RMB2.70 billion, as a general risk reserve.

III. The profit distribution for ordinary shares

Due to the complexity and severity of the external environment, the deep impact of high inflation and interest rate hike and shrinking balance sheet on China's economy, as well as the insecure domestic economic recovery foundation, the Bank is experiencing the important period of deepening reform and accelerating transformation, thus, the cash dividend for 2023 will not be distributed, so as to improve the risk resistance and achieve the healthy and stable start and accelerate the development of the Bank to better protect the long-term benefit of all the Shareholders. After the above distributions, the remaining undistributed profit will be carried forward to the next year. The retained and undistributed profit of the Bank will mainly be used to supply the core tier-one capital, so as to promote the implementation of the strategic plans and support long-term sustainable development, meanwhile, to strengthen capital accumulation and constantly improve risk resistance.

LETTER FROM THE BOARD

6. Capital Adequacy Ratio Report for 2023 and Capital Adequacy Ratio Plan for 2024

For the Capital Adequacy Ratio Report for 2023 and Capital Adequacy Ratio Plan for 2024, please refer to Appendix III to this circular.

7. Directors Remuneration Report for 2023

In accordance with the relevant provisions of the Articles of Association, combined with the Directors' respective performances of duty and evaluation results for the year, the information about the implementation of Directors' remuneration for 2023 is set out below:

Unit: RMB0'000

| Name | Position | 2023 | | | | Deferred payment | Actual salary distributed |
|-------------------------|------------------------------------|---------------------|-----------------------------|-------------|-------|------------------|---------------------------|
| | | Annual remuneration | Special committee allowance | Meeting fee | Total | | |
| GUO Hao ¹ | executive Director | - | - | - | - | - | - |
| XU Nuojin ² | executive Director | - | - | - | - | - | - |
| WANG Jiong ³ | executive Director | - | - | - | - | - | - |
| LI Yulin ⁴ | executive Director | - | - | - | - | - | - |
| ZHANG Qiyun | non-executive Director | - | - | - | - | - | - |
| FENG Ruofan | non-executive Director | - | - | - | - | - | - |
| ZHANG Shu | non-executive Director | - | - | - | - | - | - |
| MI Hongjun ⁵ | non-executive Director | - | 2.0 | 1.5 | 3.5 | - | 3.5 |
| XU Yiguo | independent non-executive Director | 2.7 | - | 0.5 | 3.2 | - | 3.2 |
| ZHAO Zijian | independent non-executive Director | - | - | - | - | - | - |
| WANG Maobin | independent non-executive Director | 2.7 | - | 0.5 | 3.2 | - | 3.2 |
| PAN Xinmin ⁶ | independent non-executive Director | 14.4 | 4.0 | 5.0 | 23.4 | - | 23.4 |
| GAO Pingyang | independent non-executive Director | 2.7 | - | - | 2.7 | - | 2.7 |

LETTER FROM THE BOARD

| Name | Position | 2023 | | | | | Actual salary distributed |
|------------------------------------|------------------------------------|---------------------|-----------------------------|-------------|-------|------------------|---------------------------|
| | | Annual remuneration | Special committee allowance | Meeting fee | Total | Deferred payment | |
| PANG Hong ⁷ | independent non-executive Director | 27.3 | 7.0 | 2.5 | 36.8 | - | 36.8 |
| LI Hongchang ⁸ | independent non-executive Director | 27.3 | 11.0 | 4.5 | 42.8 | - | 42.8 |
| JIA Tingyu ⁹ | independent non-executive Director | 27.3 | 11.0 | 2.0 | 40.3 | - | 40.3 |
| CHAN Ngai Sang Kenny ¹⁰ | independent non-executive Director | 27.3 | 7.0 | 1.0 | 35.3 | - | 35.3 |

Notes:

- Mr. GUO Hao's remuneration is subject to the final approval by the relevant competent authorities.
- Mr. XU Nuojin tendered his resignation to the Board on April 6, 2023 and resigned as the chairman of the Board, an executive Director and the chairman of the Strategy and Development Committee of the Board of the Bank due to a change of work arrangement. His remuneration is subject to the final approval by the relevant competent authorities. Please refer to the Bank's announcement dated April 6, 2023 for details.
- The Board has received the resignation letter of Mr. WANG Jiong on October 8, 2023. He resigned as the vice chairman of the Board, an executive Director, the chairman of the Consumer Rights Protection Committee of the Board, a member of the Strategy and Development Committee of the Board, a member of the Risk Management Committee of the Board and a member of the Related Party Transactions Control Committee of the Board of the Bank due to a change of work arrangement. His remuneration will be subject to relevant decision-making procedures upon being determined. Please refer to the Bank's announcement dated October 8, 2023 for details.
- After the expiration of the term of the second session of the Board, Mr. LI Yulin will not offer himself for re-election as an executive Director, a member of the Risk Management Committee of the Board and a member of the Consumer Rights Protection Committee of the Board due to a change of his job assignment. His remuneration will be subject to relevant decision-making procedures upon being determined. Please refer to the Bank's announcements dated September 21, 2023, October 12, 2023 and November 28, 2023, and the circular dated September 21, 2023 for details.
- After the expiration of the term of the second session of the Board, Mr. MI Hongjun will not offer himself for re-election as a non-executive Director and a member of the Strategy and Development Committee of the Board due to his focus on other business commitments. Please refer to the Bank's announcements dated September 21, 2023, October 12, 2023 and November 28, 2023, and the circular dated September 21, 2023 for details.
- Mr. PAN Xinmin's annual remuneration of RMB144,000 comprised the remuneration during his term of office as an independent non-executive Director (RMB27,000) and the remuneration during his term of office as an external Supervisor (RMB117,000).

LETTER FROM THE BOARD

7. After the expiration of the term of the second session of the Board, Ms. PANG Hong will not offer herself for re-election as an independent non-executive Director, the chairman of the Nomination and Remuneration Committee of the Board, a member of the Audit Committee of the Board and a member of the Risk Management Committee of the Board due to her service period as an independent non-executive Director for more than six consecutive years. Please refer to the Bank's announcements dated September 21, 2023, October 12, 2023 and November 28, 2023, and the circular dated September 21, 2023 for details.
8. After the expiration of the term of the second session of the Board, Mr. LI Hongchang will not offer himself for re-election as an independent non-executive Director, the chairman of the Related Party Transactions Control Committee of the Board, a member of the Audit Committee of the Board, a member of the Risk Management Committee of the Board, a member of the Nomination and Remuneration Committee of the Board and a member of the Consumer Rights Protection Committee of the Board due to his service period as an independent non-executive Director for more than six consecutive years. Please refer to the Bank's announcements dated September 21, 2023, October 12, 2023 and November 28, 2023, and the circular dated September 21, 2023 for details.
9. After the expiration of the term of the second session of the Board, Mr. JIA Tingyu will not offer himself for re-election as an independent non-executive Director, the chairman of the Risk Management Committee of the Board, a member of the Strategy and Development Committee of the Board, a member of the Audit Committee of the Board, a member of the Related Party Transactions Control Committee of the Board and a member of the Nomination and Remuneration Committee of the Board due to his service period as an independent non-executive Director for more than six consecutive years. Please refer to the Bank's announcements dated September 21, 2023, October 12, 2023 and November 28, 2023, and the circular dated September 21, 2023 for details.
10. After the expiration of the term of the second session of the Board, Mr. CHAN Ngai Sang Kenny will not offer himself for re-election as an independent non-executive Director, the chairman of the Audit Committee of the Board, a member of the Related Party Transactions Control Committee of the Board and a member of the Consumer Rights Protection Committee of the Board due to his service period as an independent non-executive Director for more than six consecutive years. Please refer to the Bank's announcements dated September 21, 2023, October 12, 2023 and November 28, 2023, and the circular dated September 21, 2023 for details.

8. Supervisors Remuneration Report for 2023

In accordance with the relevant provisions of the Articles of Association, combined with the Supervisors' respective performances of duty and evaluation results for the year, the information about the implementation of Supervisors' remuneration for 2023 is set out below:

Unit: RMB0'000

| Name | Position | Annual remuneration | Special committee allowance | 2023 | | Deferred payment | Actual salary distributed |
|------------------------|------------------------------------|---------------------|-----------------------------|-------------|-------|------------------|---------------------------|
| | | | | Meeting fee | Total | | |
| YOU Xiang ¹ | employee representative Supervisor | - | - | - | - | - | - |
| ZHANG Ke ¹ | employee representative Supervisor | - | - | - | - | - | - |

LETTER FROM THE BOARD

| Name | Position | Annual remuneration | Special committee allowance | 2023 | | Deferred payment | Actual salary distributed |
|---------------------------|---------------------------------------|---------------------|-----------------------------|-------------|-------|------------------|---------------------------|
| | | | | Meeting fee | Total | | |
| DAN Limin | employee representative Supervisor | 48.6 | - | - | 48.6 | 11.9 | 36.7 |
| WANG Xiaoyan | Shareholder representative Supervisor | - | - | - | - | - | - |
| YAN Yongfu | Shareholder representative Supervisor | - | - | - | - | - | - |
| LU Suyue | Shareholder representative Supervisor | - | - | 1.0 | 1.0 | - | 1.0 |
| LI Xingzhi | external Supervisor | 3.3 | - | 1.0 | 4.3 | - | 4.3 |
| GU Xiujian | external Supervisor | 3.3 | - | 1.0 | 4.3 | - | 4.3 |
| LIU Xia | external Supervisor | 3.3 | - | 1.0 | 4.3 | - | 4.3 |
| ZHANG Yixian ² | employee representative Supervisor | 81.0 | - | - | 81.0 | - | 81.0 |
| SUN Xuemin ³ | external Supervisor | 11.7 | 4.0 | 2.5 | 18.2 | - | 18.2 |
| HAN Wanghong ⁴ | external Supervisor | 11.7 | 5.0 | 3.0 | 19.7 | - | 19.7 |
| LI Xiaojian ⁵ | external Supervisor | 11.7 | 5.0 | 2.0 | 18.7 | - | 18.7 |
| PAN Xinmin ⁶ | external Supervisor | 14.4 | 4.0 | 5.0 | 23.4 | - | 23.4 |
| LI Weizhen ⁷ | Shareholder representative Supervisor | - | 2.0 | - | 2.0 | - | 2.0 |
| LI Wanbin ⁸ | Shareholder representative Supervisor | - | 2.0 | 0.5 | 2.5 | - | 2.5 |

Notes:

1. The remuneration of Mr. YOU Xiang and Mr. ZHANG Ke will be subject to relevant decision-making procedures upon being determined.
2. As the term of office of the second session of the Supervisory Committee of the Bank has expired, Mr. ZHANG Yixian retired as an employee representative Supervisor of the Bank, a member of the Nomination Committee of the Board of Supervisors and a member of the Supervision Committee of the Board of Supervisors on October 12, 2023. Please refer to the Bank's announcements dated September 21, 2023 and October 12, 2023, and the circular dated September 21, 2023 for details.
3. As the term of office of the second session of the Supervisory Committee of the Bank has expired, Mr. SUN Xuemin retired as an external Supervisor of the Bank, a member of the Nomination Committee of the Board of Supervisors and a member of the Supervision Committee of the Board of Supervisors on October 12, 2023. Please refer to the Bank's announcements dated September 21, 2023 and October 12, 2023, and the circular dated September 21, 2023 for details.

LETTER FROM THE BOARD

4. As the term of office of the second session of the Supervisory Committee of the Bank has expired, Mr. HAN Wanghong retired as an external Supervisor of the Bank, the chairman of the Nomination Committee of the Board of Supervisors and a member of the Supervision Committee of the Board of Supervisors on October 12, 2023. Please refer to the Bank's announcements dated September 21, 2023 and October 12, 2023, and the circular dated September 21, 2023 for details.
5. As the term of office of the second session of the Supervisory Committee of the Bank has expired, Mr. LI Xiaojian retired as an external Supervisor of the Bank and the chairman of the Supervision Committee of the Board of Supervisors on October 12, 2023. Please refer to the Bank's announcements dated September 21, 2023 and October 12, 2023, and the circular dated September 21, 2023 for details.
6. As the term of office of the second session of the Supervisory Committee of the Bank has expired, Mr. PAN Xinmin retired as an external Supervisor of the Bank, a member of the Nomination Committee of the Board of Supervisors and a member of the Supervision Committee of the Board of Supervisors on October 12, 2023. Please refer to the Bank's announcements dated September 21, 2023 and October 12, 2023, and the circular dated September 21, 2023 for details. Mr. PAN Xinmin's annual remuneration of RMB144,000 comprised the remuneration during his term of office as an independent non-executive Director (RMB27,000) and the remuneration during his term of office as an external Supervisor (RMB117,000).
7. Ms. LI Weizhen resigned as a Shareholder representative Supervisor of the Bank and a member of the Supervision Committee of the Board of Supervisors on February 22, 2023 due to a change of her job assignment. Please refer to the Bank's announcement dated February 22, 2023 for details.
8. Mr. LI Wanbin tendered his resignation to the Board of Supervisors on June 20, 2023, and resigned as a Shareholder representative Supervisor and a member of the Supervision Committee of the Board of Supervisors due to his personal intention to focus on other work matters. Please refer to the Bank's announcement dated June 20, 2023 for details.

9. Engagement of Auditors for 2024

Reference is made to the announcement of the Bank dated May 17, 2024 in relation to the proposed change of auditors.

As KPMG Huazhen LLP and KPMG (“KPMG”) have been engaged by the Bank for the provision of audit services for eight consecutive years, pursuant to the results of the tender selection and appointment conducted by the Bank in accordance with the Notice of the Ministry of Finance on the Issuing of the Administrative Measures for Selection and Appointment of Accounting Firms by State-owned Financial Enterprises (Cai Jin [2020] No. 6) (《財政部關於印發〈國有金融企業選聘會計師事務所管理辦法〉的通知》(財金[2020]6號)), after considering the recommendation of the audit committee of the Board, on May 17, 2024, the Board resolved to propose that Baker Tilly China Certified Public Accountants and Baker Tilly Hong Kong Limited (“Baker Tilly”) shall provide the Bank with domestic and overseas statutory financial statements audit, interim financial statement review and agreed-upon procedure services of quarterly financial statements for the year of 2024. Their terms of office commence from the date on which this resolution is approved at the 2023 Annual General Meeting until the date of the conclusion of the 2024 annual general meeting of the Bank. It is expected that the service fee of the auditors in 2024 will be RMB5,180,000. In addition to the above services, Baker Tilly will provide value-added services and other professional services pursuant to the regulatory requirements and the actual needs for business development of the Bank.

LETTER FROM THE BOARD

The Board also proposed that the AGM shall authorize the management of the Bank to enter into agreements with Baker Tilly. Should there be significant changes in operation such as merger, creation, acquisition and reorganization, or any additional audit items deemed necessary during the term of such cooperation, the management of the Bank shall be authorized to enter into agreements with Baker Tilly separately according to the actual situation and management process to determine the details of services and the service fees.

The Bank has received a letter from KPMG confirming that there are no matters relating to their retirement that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Board have also confirmed that there is no disagreement between KPMG and the Bank, and there are no other matters relating to the proposed change of auditors and KPMG's retirement that need to be brought to the attention of the Shareholders.

III. THE AGM

The Bank will physically hold the AGM at 3:00 p.m. on June 21, 2024 (Friday) at the Dahe Jinyue Hotel, No. 2 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC, to consider and approve, if thought fit, the resolutions as set out in the relevant notice. The notice of the AGM is set out on pages AGM-1 to AGM-4 of this circular, and was despatched to the H Shareholders on May 31, 2024 (Friday) in the manner in which the H Shareholders selected to receive corporate communications and is available on the website of the Stock Exchange at www.hkexnews.hk and the Bank's website at www.zybank.com.cn.

Whether or not you intend to attend and/or vote at the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending in person and voting at the AGM or any adjournment thereof should you so wish. The form of proxy for the AGM was despatched to the H Shareholders on May 31, 2024 (Friday) in the manner in which the H Shareholders selected to receive corporate communications and is available on the website of the Stock Exchange at www.hkexnews.hk and the Bank's website at www.zybank.com.cn.

IV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote by the Shareholders at the AGM shall be taken by the way of poll, except where the chairman of the AGM in good faith decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands.

To the best knowledge of the Directors, no Shareholder or its associate (as defined under the Listing Rules) is deemed to have a material interest in any of the resolutions to be proposed at the AGM, and therefore, no Shareholder is required to abstain from voting on any resolutions at the AGM.

The voting results of the AGM will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in accordance with the Listing Rules.

LETTER FROM THE BOARD

V. CLOSURE OF THE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM

The Bank's register of members will be closed from June 18, 2024 (Tuesday) to June 21, 2024 (Friday), both days inclusive, during which period no transfer of Shares will be effected. The Shareholders whose names appear in the Bank's register of members on June 21, 2024 (Friday) shall be entitled to attend and vote at the AGM.

For a Shareholder to be eligible for attending and voting at the AGM, all transfer documents together with the relevant share certificates and other appropriate documents must be lodged with the H Share Registrar of the Bank, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the H Shareholders) or the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the Domestic Shareholders) not later than 4:30 p.m., June 17, 2024 (Monday) for registration.

VI. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that all resolutions to be proposed at the AGM are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favor of all resolutions to be proposed at the AGM.

VII. OTHER INFORMATION

You are kindly requested to pay attention to other information as set out in Appendix I to Appendix III to this circular.

By Order of the Board
Zhongyuan Bank Co., Ltd.*
GUO Hao
Chairman

Zhengzhou, the PRC
May 31, 2024

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

Work Report of the Board of Directors of Zhongyuan Bank Co., Ltd. for 2023

In 2023, the Board of the Bank strictly complied with the Company Law, the Corporate Governance Guidelines for Banking and Insurance Institutions, the Listing Rules and the Articles of Association, deeply implemented the guiding opinions of the provincial Party committee and provincial government on supporting the Bank's high-quality development to build a first-class city commercial bank, the Board was conscientious and diligent and dedicated to its duties, implemented the resolutions passing at the general meeting, comprehensively strengthened the leadership of the Party, clearly defined the development positioning, continuously enhanced the level of corporate governance, supervised the management to firmly adhere to the path of high-quality development, made every effort to control new exposure while addressing the existing ones, strengthened compliance management, and promoted the Bank to achieve a development trend with a steady and solid overall improvement. The work report of the Board of Directors for 2023 and the work arrangement for 2024 are hereby reported as below:

I. REVIEW OF OPERATION RESULTS DURING THE REPORTING PERIOD

As of the end of 2023, the Bank achieved total assets of RMB1,346.446 billion (at the Group's caliber, the same as below), representing an increase of RMB19.710 billion as compared with the beginning of the year; the balance of all deposits amounted to RMB837.522 billion, representing an increase of RMB10.202 billion as compared to the beginning of the year; the balance of all loans amounted to RMB707.462 billion, representing an increase of RMB23.387 billion as compared to the beginning of the year; the non-performing loan ratio was 2.04%; the net profit was RMB3,206 million.

During the Reporting Period, the Bank was awarded "Ten Best City Commercial Banks of the Year (年度十佳城市商業銀行)", "Top Ten Iron-horse Banks (鐵馬十佳銀行)", "Best Listed Company (最佳上市公司)", "Outstanding City Commercial Bank of the Year (年度卓越城商行)", "Top 500 Listed Chinese Companies published by The Fortune in 2023 (2023年《財富》中國上市公司500強)", and other honors. Zhongyuan Bank ranked 145th amongst the top 1,000 banks in the world by The Banker (UK) in 2023, and its social reputation and brand influence continued to enhance.

II. REVIEW OF MAJOR WORK OF THE BOARD**(I) Reinforcing the Party’s leadership, and the leadership of Party building has been continuously strengthened**

We carried out high-quality thematic education initiatives and integrated efforts in promoting theoretical study, investigations and research, development, thorough examinations and rectifications, and establishment of comprehensive rules and regulations, solving urgent and thorny problems affecting the Bank’s high-quality development, customers, and employees, and truly achieved the goal of learning ideas, strengthening Party spirit, emphasizing practice, and making new contributions. We formulate systems such as the implementation of the “decision-making on major issues, important appointments and removals, major projects and the use of large amounts of money”, the deep integration of Party leadership and corporate governance of branches and subsidiaries, etc., which effectively give full play to the leading role of Party organizations in corporate governance and strengthen the organizational guarantee for high-quality development. We have always integrated the strengthening of the Party’s leadership over financial work into the whole process and all links of the Bank’s operation and management, reform and development, formulated a system of special meetings for secretaries, strengthened collective deliberation before the Party committee, fully carried forward democracy, pooled wisdom, and built consensus, so as to ensure the scientific nature of decision-making.

(II) Clearly defining development positioning, continuously consolidating development consensus

In 2023, the Board of Directors of the Bank focused on the goal of building a first-class city commercial bank, based on a new stage of development, and planned a layout from a strategic, institutional, and systemic perspective, established on the development positioning with “the Party’s leadership as the soul, the Party committee and the government as the reliance, the market economy as the environment, the institutional nature as a bank, the asset quality as life and the operating results as the fundamentals”, the main tasks of “expanding market, serving customers, preventing risks, creating profit”, and the work principles of “adhering to seeking progress while maintaining stability, integrity and innovation, the customer-centered philosophy, the enhancement of comprehensive competitive advantages, the improvement of systems and mechanisms, changes of working styles and the leadership of the Party building”, and clarified the overall direction and path for next development.

(III) Focus on improving corporate governance and effectively enhancing governance efficiency

The re-election of the Board was successfully completed. The Board successfully held the 1st meeting of the third session of the Board, elected the chairman of the third session of the Board of Directors and the members of the special committees of the Board of Directors, and appointed the senior management, which represented a conclusion of the re-election. The Board continuously improved the construction of the corporate governance system. The Board amended more than ten corporate governance systems such as the Articles of Association, the Rules of Procedures of the Shareholders' General Meeting, the Rules of Procedures of the Board's Meeting, so as to ensure that each governance body operated in a regulated manner. The Board amended the Measures for the Equity Management and the Administrative Measures for the Related Party Transactions, to further regulate the behavior of principal Shareholders and related party transactions management. The Board formulated the measures on ensuring the performance of duties by the directors of state-owned shareholders to enhance the quality and efficiency of the performance of their duties. The Board convened governance meetings in an efficient manner. In 2023, the Board convened 3 shareholders' general meetings, at which 27 resolutions were reviewed or approved; convened 8 Board meetings, at which 122 resolutions were reviewed or approved; and convened 24 meetings of special committees under the Board, at which 115 resolutions were reviewed or approved. The Board implemented the information disclosure in a standardized manner. During the Reporting Period, the Board efficiently organized a total of 72 disclosures, including the periodic disclosures such as annual reports, interim reports and ESG reports, and temporary disclosures such as the renewal of the Board of Directors and the Board of Supervisors, amendments to the systems, issuance of bonds and redemption of preference shares, in order to safeguard the legal rights of the stakeholders. The Board continued to enrich the ways of Directors' performance of duties. The Board strengthened the effectiveness of performance of duties through conducting researches and special assessments, and establishing a mechanism for tracking the implementation of the suggestions of the meetings of the Board and the special committees.

(IV) Optimizing the equity structure and strengthening the management of Shareholders' equity

The Board of the Bank completed the trusteeship under China Securities Depository and Clearing Corporation Limited of a total of 13,325 million equities of three city commercial banks which have been merged by absorption, and effectively protected the legal rights of the Shareholders. The Board continued to enhance the equity management level. The Board strictly complied with the regulatory policies and regulations to regulate the behavior of Shareholders and strengthen the management of businesses such as the Shareholders' access and equity pledge; organized and carried out visits to Shareholders, took the initiative to make policy presentations and conducted Shareholders' consultations and answers to questions, so as to maintain a good relationship with Shareholders.

(V) Strengthening the management for related party transactions and preventing the risks in related party transactions

The Board of the Bank earnestly assumed the ultimate responsibility for the management of related party transactions, continued to regulate the conduct of related party transactions in accordance with the principles of good faith and fair, and strictly controlled the risks in related party transactions. The Board optimized the management system and revised the Administrative Measures for the Related Party Transactions, so as to further clarify the division of responsibilities. The Board accelerated the promotion of the construction of related party transaction management system, realized the functions such as the automatic information acquisition and manual batch entry of related party and related party transactions, and further enhanced the informatization and intelligence level. The Board strictly implemented the requirements for review, approval, filing and disclosure of related party transactions. General related party transactions were reported to the Related Party Transactions Control Committee of the Board for its records on a quarterly basis. Material related party transactions, after being reviewed and approved by the Related Party Transactions Control Committee of the Board and the Board, were reported to the regulatory authorities for record and publicly disclosed in accordance with the laws. The Board improved the reporting mechanism for related party transactions. The Board regularly listened to annual reports on the management of related party transactions, and the Related Party Transactions Control Committee of the Board regularly listened to quarterly reports on the management of related party transactions, so as to continuously improve the management level of related party transactions.

(VI) Firmly adhering to the path of high-quality development and continuously fortifying the development foundation

The provincial Party committee and the provincial government were promoted to issue guiding opinions on supporting the high-quality development of Zhongyuan Bank, and the municipalities under the jurisdiction of each province to issue relevant supporting opinions, creating a favorable policy environment for the Bank's high-quality development. The Board insisted on being performance-oriented, optimized the assessment measures and improved pricing mechanisms to increase profits. The Board implemented and improved market-oriented remuneration and employment mechanisms, formulated and introduced administrative measures for selecting and appointing cadres, and established a clear guide for employment to encourage our cadres and employees to work together to accomplish better performance, continuously strengthening the overall positive and solid trend. The Board continued to deepen reform, studied and formulated a plan of reform and risk mitigation for township banks, and promoted the reform and risk mitigation for township banks by category. The Board steadily promoted the optimization and adjustment of the organizational structure and reshaped and restructured the settings of the retail lines and corporate lines departments.

(VII) Insisting on controlling new exposure while addressing the existing ones and deepening compliance construction

Firstly, the Board made every effort to control new exposure while addressing the existing ones, the asset quality was gradually improved. The Board implemented the mechanism proposed by Henan Province to liquidate non-performing assets and restore their mobility, achieved significant results in the liquidation and restoring mobility of non-performing assets and successfully completed the annual tasks. The Board placed more emphasis on controlling new exposure, improved the risk prevention and control mechanism, strengthened the review and analysis of non-performing loans, sorted out the current status of risk and problematic issues comprehensively, formulated risk management systems such as credit guidelines and concentration management, and promoted the construction of intelligent risk control. The Board gave full play to the regulatory role of policies and systems, management criteria, system control, risk tools and other rigid restrictions to effectively curb the increase in non-performing loans. **Secondly**, the Board continued to strengthen the construction of compliance and internal control. The Board improved the construction of compliance system, promoted the problem rectification in internal and external inspections, and identified the root causes of problems in terms of systems, processes, mechanisms and systems, so as to comprehensively strengthen internal control management. The Board strengthened the employee behavior management, insisted on rectification of mistakes and accountability, focused on important positions and key personnel, and carried out recognition of responsibility for non-compliance. The Board established the

mechanism of review on consumer rights protection and the mechanism of diversified settlement on financial consumption complaints, enhancing the quality and effectiveness of consumer rights protection.

(VIII) Strengthening the efforts in overall capital management and increasing capital strength continuously

Overall planning the capital replenishment, the Board formulated the Capital Replenishment and Use Planning for 2023-2025. Promoting capital replenishment through multiple channels, the Bank completed an injection of RMB8 billion of special debt funds and successfully issued perpetual bonds of RMB10 billion to effectively replenish the Bank's other tier-one capital. The Bank completed the redemption of RMB10 billion of tier-two capital bonds and USD1.395 billion of preference shares, effectively boosting the confidence in the market.

III. WORK ARRANGEMENTS FOR THE BOARD IN 2024

In 2024, the third session of the Board of the Bank will adhere to the guidance of XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the spirit of the Central Economic Work Conference, the Central Financial Work Conference, and the special seminar for leading cadres at the provincial and ministerial levels to promote high-quality financial development, conscientiously implement the deployment of the Sixth Plenary Session of the Eleventh Provincial Party Committee and the Economic Work Conference of the Provincial Party Committee, and the guidance of the provincial Party committee and the provincial government to support the high-quality development of Zhongyuan Bank to build a first-class city commercial bank, strengthen the overall leadership of the Party, promote the continuous improvement of corporate governance, maintain strategic stability, continue to explore the path of differentiated development, strengthen the internal control and management of risks, enhance the quality and effectiveness of the performance of the Board of Directors, consolidate and enhance the positive development trend, and accelerate the high-quality development.

(I) Strengthening the overall leadership of the Party and leading high-quality development with high-quality Party building

The Bank will thoroughly study and implement the spirit of the Central Economic Work Conference, the Central Financial Work Conference and the special seminar for leading cadres at the provincial and ministerial levels to promote high-quality financial development, so as to align the direction and policy opportunities. The Bank will implement the arrangements and deployment of the Sixth Plenary Session of the Eleventh Provincial Party Committee and the Economic Work Conference of the Provincial Party Committee, in particular, the guidance of supporting the high-quality development of Zhongyuan Bank to build a first-class city commercial bank, and will actively push forward the implementation of various tasks. The Bank will promote the in-depth integration of Party leadership and corporate governance, earnestly implement the Party Committee pre-study of “decision-making on major issues, important appointments and removals, major projects and the use of large amounts of money”, democratic centralism and other systems, and insist on the planning and deployment of Party building work together with business work.

(II) Continuing to improve corporate governance and continuously improving the operational efficiency of the Board

Firstly, the Bank will endeavor to enhance the operational efficiency of its Board of Directors and special committees. The Bank will streamline and optimize the process of convening governance meetings, strengthen the closed-loop management of meetings, and further enhance the efficiency of the dissemination and implementation of decisions and requests made at meetings. The Bank will give full play to the roles of advisors and assistants of the various special committees of the Board, enrich and expand the modes of performance of Directors’ duties, and strengthen research, seminars and training so as to enhance the effectiveness of Directors’ performance of their duties. **Secondly**, the Bank will improve its management system for senior management. The Bank will comprehensively review the management and appraisal system for the senior management, strengthen the construction of assessment incentive and restraint mechanisms, further revise and standardize the relevant management and assessment systems for senior management, and improve the management system. **Thirdly**, the Bank will standardize information disclosure. The Bank will benchmark against advanced peers, further improve the information disclosure rule system, and complete the implementation details of information disclosure work. The Bank will orderly push forward the preparation of the annual report, interim report and ESG report, and complete the preparation work with high standards to create a good corporate image.

(III) Continuing to optimize the equity structure and enhancing the quality and efficiency of shareholder services

The Bank will promote the optimization of the equity structure and effectively improve the management level of Shareholders' equity. In accordance with regulatory requirements, the Bank will complete the evaluation of the performance of substantial Shareholders and major Shareholders in compliance with laws and regulations, and continue to standardize the management of shareholder behavior. The Bank will refine and optimize the shareholder service process, improve the efficiency of shareholder equity pledge, transfer, inquiry and other business processing, and improve the shareholder service experience. The Bank will accelerate the optimization of shareholder equity management and related-party transaction supervision information systems, prevent shareholder public opinion and related-party transaction management risks, and improve management quality and efficiency.

(IV) Maintaining strategic focus and comprehensively improving business performance

Firstly, the Bank will firmly adhere to the direction of transformation and insist on performance orientation. The Bank will benchmark itself against first-class commercial banks, actively explore differentiated development paths, vigorously promote the transformation of light capital, light asset and light cost, dynamically build advantages, focus on improving performance, deepen structural adjustment, promote high-quality development, and build a modern commercial bank with clear positioning, sound governance, sufficient capital and stable operations. **Secondly**, the Bank will grasp strategic focus and create differentiated competitive advantages. The Bank will further consolidate its business advantages, make up for its shortcomings in retail business, and optimize its inter-bank business. The Bank will actively integrate into the general trend of economic and social development in Henan, implement differentiated business strategies based on regional economic characteristics, population structure, key industrial chains, etc., clarify specific implementation paths and work measures, ensure the implementation of differentiated operations, and effectively improve the fit between business and regional economy and better serve the province's economic and social development. **Thirdly**, the Bank will adhere to the customer-oriented principle and constantly enhance service capabilities. The Bank will firmly establish the concept of creating value for customers, strengthen comprehensive service capabilities, improve service efficiency, and strengthen technological empowerment.

(V) **Strengthening risk management and promoting the compliant and prudent operation**

Firstly, the Bank will adhere to address both the symptoms and root causes, and fully control new issues while governing what happened in the past. The Bank will continue to strengthen comprehensive risk management and improve the effectiveness of risk management. The Bank will focus on strengthening credit risk prevention and control, further improving credit policies, and strengthening comprehensive analysis and research on the economic and financial situation, macro policies, and industrial structure. The Bank will increase the construction of online risk control, improve digital risk control capabilities, and achieve closed-loop management of risk identification, assessment, monitoring and reporting. **Secondly**, the Bank will make every effort to promote the liquidation and restoring mobility of non-performing assets. The Bank will establish a long-term mechanism to liquidate non-performing assets and restore their mobility and persevere in winning the tough and protracted battle of liquidation and revitalization of non-performing assets. The Bank will conduct an in-depth study of various national policies to stabilize the economy, coordinate support for local development, resolve debt and arrears issues, and liquidate non-performing assets and restore their mobility, innovate ideas and measures, and increase efforts to resolve non-performing loans. The Bank will continue to strengthen communication and coordination with courts and public security, and make full use of the power of local governments to improve collection efficiency. **Thirdly**, the Bank will deepen internal control and compliance management. The Bank will strictly adhere to the “three lines of defense”, strengthen the rigidity of the system, accelerate the construction of digital compliance, strengthen case prevention and employee behavior management, and strictly guard against moral risks. The Bank will comprehensively carry out consumer protection work, implement consumer protection traceability analysis and rectification accountability mechanisms, and conduct regular consumer protection reviews and random inspections to improve work efficiency.

In 2024, under the strong leadership of the provincial Party committee and the provincial government, the Board of the Bank will strengthen confidence, maintain determination, forge ahead with determination, work hard, and strive to promote Zhongyuan Bank to stride forward on a new journey of high-quality development.

Work Report of the Board of Supervisors of Zhongyuan Bank Co., Ltd. for 2023

In 2023, facing the complex and ever-changing internal and external environment, the Bank's Board of Supervisors guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress of the Party and the Central Economic Work Conference, benchmarked the overall requirements of the provincial Party committee and the provincial government to "build a first-class city commercial bank", focused on the Bank's strategic priorities and operating actualities, carried out various supervisory work in accordance with laws and regulations, objectively and fairly, actively performed supervisory functions, continued to improve the quality and efficiency of supervision, promoted and improved corporate governance, and provided supervision and guarantee for the development of the Bank.

I. MAJOR WORK FOR 2023***(I) Highlight "strictness" and "comprehensiveness" and improve the working mechanism of the Board of Supervisors***

- 1. Consolidating the system of the Board of Supervisors.** In light of the implementation of new regulatory regulations, we comprehensively sorted out the system of the Board of Supervisors, revised the Rules of Procedures of the Supervisory Committee of Zhongyuan Bank Co., Ltd., the Working Rules of External Supervisors of Zhongyuan Bank Co., Ltd. and Measures for Evaluating the Performance of Directors, Supervisors and Senior Management by the Board of Supervisors of Zhongyuan Bank Co., Ltd. and other systems, and formulated the Supervision and Management Measures of the Board of Supervisors of Zhongyuan Bank Co., Ltd., which has further provided stricter work mechanisms and more detailed work processes as well as consolidated the basis for the day-to-day work of the Board of Supervisors.
- 2. Continuing to optimize the structure of the Board of Supervisors.** In accordance with laws, regulations and regulatory requirements, the Bank formulated a plan to optimize the structure of the Board of Supervisors during the transitional period before the election, and selected additional employee representative Supervisors to ensure that the supervisors of the Board of Supervisors continue to be qualified and the structure remains compliant.
- 3. Promoting and completing the re-election work steadily.** Following the principles of "upholding the leadership of the Party, adhering to legal compliance, and adhering to broad representation", the Bank formulated a plan for the re-election of the Board of Supervisors and various legal documents related to the selection, appointment and performance of duties of various types of Supervisors; the Bank conducted re-elections in compliance with regulations, successively convened meetings of the Nomination Committee of the Board of Supervisors and meetings of the Board of Supervisors,

coordinated the convening of the employee representative meeting and the shareholders' general meeting, elected the third session of nine Supervisors and the chairman and vice chairman of the Board of Supervisors, and did a good job in information disclosure, related party transaction management and other related work for the new session of Supervisors.

(II) Firmly sticking to “depth” and “essence” and assisting the Board of Supervisors in implementing diversified performance of duties

1. **Being strict with the agenda of the meetings.** The Board of Supervisors continued to improve the meeting procedures to effectively ensure the effectiveness of supervision of meetings. A total of 6 meetings of the Board of Supervisors were held, at which 84 items were heard and considered; and 8 meetings of the special committees under the Board of Supervisors were held, at which 50 items were heard and considered in 2023, the content of which involved periodic reports of the Bank, financial budget and final account, profit distribution, risk management and internal control compliance, the nomination and election of candidates for Supervisors and other important matters, and all resolutions were passed. In addition, the Supervisors attended 3 shareholders' general meetings and attended 8 on-site meetings of the Board of Directors.

2. **Focusing on key areas.** **Firstly**, the Board of Supervisors reinforced the standardization of supervision over the duty performance. The Board of Supervisors strengthened daily supervision over the duty performance and establishment of duty performance files, and improved the duty performance records of Supervisors. It organized and carried out the performance evaluation on the Directors, Supervisors and senior management in 2022, detailed the performance evaluation plans, and enriched and improved the performance evaluation files based on the new regulations of duty performance, applied the performance evaluation results strictly, and reported the evaluation results to the shareholders' general meetings and regulatory departments in a timely manner. **Secondly**, the Board of Supervisors deepened financial supervision. It established a regular communication mechanism between external audit team and external supervisors and held symposiums between external supervisors and external audit institution, listening to the objective evaluation on the Bank's financial position from the third parties in details to further diversify the supervision channels and methods of the Bank's financial position. The Board of Supervisors paid more attention to the management of capital adequacy and investors' management of the Bank, organized the Supervisors and relevant departments to conduct special research and issue the special opinion and recommendation letter, putting forward opinions and recommendations from the perspective of high-quality development. **Thirdly**, the Board of Supervisors attached equal importance to the daily supervision over risks and special supervision. In addition to the daily meeting supervision

of the Board of Supervisors, it implemented the special inspection over the disposal of non-performing assets and special survey and research for the development of village bank, effectively integrating the supervisory concerns, key work of the Bank and focus event into the supervision work.

3. **Strengthening off-site supervision.** To enhance its off-site supervision, the Board of Supervisors replaced quarterly supervision report with monthly supervision report, summarized and analyzed the running situation, the operational condition, the management of major risks, the management of subsidiaries, cases and complaints, institutions, penalty and other information of the Bank' "Three Boards", and implemented off-site supervision regularly. The Board of Supervisors conducted special supervision over the risk control in the industry and other key business areas, organized and carried out special supervision meetings of risk lines, deeply listened to the measures and achievements on the comprehensive risk management of the Bank, put forward corresponding opinions and recommendations and enhanced the depth and width of off-site supervision.
4. **Enriching the supervision tools.** In combination with the key and focus work of the Bank, the Board of Supervisors comprehensively utilized survey, inspection, interview, forum and various methods to achieve diversified duty performance, focusing on the inclusive finance business development, capital adequacy management, operation and development of village bank, the current situation of credit supply and the disposal of non-performing assets under the background of rural revitalization strategy. Through diversified performance of duties, the Board of Supervisors had a deep understanding and comprehensive grasp of the operation and key works of the Bank and actively gave play to its role of supervision and recommendations-making.

(III) Focusing on "efforts" and "effectiveness" and maximizing its effectiveness of supervision

1. **Strengthening external coordination and improving the authority of supervision.** The Board of Supervisors increased the communication with the superior competent authorities and regulatory departments in the industry, established a regular report mechanism, reporting the work of the Board of Supervisors to the contributors and regulatory departments regularly. Centering on the concerns of the contributors and key aspects of industry regulations, it discussed about idea of the following work and work plans of the Board of Supervisors and sought for more policy guidance and regulatory support to jointly improve the supervision work.

2. **Enhancing internal communication and increasing joint efforts in supervision.** The Board of Supervisors enhanced communication with the Board of Directors and senior management to pay attention to the key tasks and difficulties in the industry in a timely manner, know about the operation of the Bank and duty performance of Directors and senior management and give a timely feedback of the opinions and recommendations of the Board of Supervisors. It strengthened the communication with “big supervision” lines to promote shared information and efficient coordination, proactively participated in the regular meeting of comprehensive supervision leading group office, made reports of supervision clues of the Board of Supervisors and shared the supervision recommendations. It carried out a special survey about the credit supply of the Bank jointly with the dispatched discipline inspection team to make field visits to the functional departments and branches and sub-branches, and conducted questionnaire survey on the front-line customer managers forming Current Situation and Countermeasures and Suggestions of Credit Supply of Zhongyuan Bank (《中原銀行信貸投放現狀及對策建議》). It actively integrated into the joint supervision work of “Three-pronged Comprehensive” of the Bank. The employee representative Supervisors led the inspection group to conduct onsite inspection on the branches and subsidiaries and sort out the problems found during the inspection, issue the inspection report and put forward requirements on rectification.

3. **Attaching great importance to the rectification and implementation and forming supervision close-loop.** It paid more attention to the rectification and implementation of opinions and recommendations of the Board of Supervisors, collected and summarized the recommendation letters and reminder letters submitted to the Board of Directors and senior management during the whole year, established accounts for opinions and recommendations of the Board of Supervisors, carried out a “review” on the implementation of opinions and recommendations of the Board of Supervisors and followed up the feedback and implementation by the Board of Directors and senior management regarding the opinions and recommendations of the Board of Supervisors in a timely manner to improve the standardization and effectiveness of rectification.

(IV) Striving for “specificity” and “excellence” and intensifying self-building

1. **Organizing special trainings to reinforce the Supervisors’ compliance awareness of duty performance.** The Board of Supervisors prepared and issued the compilation of regulatory policies for corporate governance, and the compilation of industry system for corporate governance, laying a good foundation for the new Supervisors to successfully perform duties and conduct supervision over duty performance. It invited domestic and foreign law firms to conduct special trainings in respect of new regulations for duty performance of Directors and Supervisors and the Law on Supervision over and Regulation

of the Banking Industry, illustrating the requirements for duty performance from the perspectives of regulatory requirements and industry peers' practices to the new Supervisors. It carried out special trainings regarding new capital regulations promoting the Supervisors to grasp the policy trends from the regulatory departments in relation to risk management in a timely manner and boosting the proactivity and foresight of risk supervision.

- 2. The Board of Supervisors communicated with and learned from various parties, and summarized the way to optimize its supervision.** Taking the re-election as an opportunity, the chairman of the Board of Supervisors led a visit to listen to the general requirements for the work of the Board of Supervisors from the capital contributors and the regulatory authorities; meanwhile, by means of on-site investigation, online investigation and written investigation, the Board of Supervisors learned and summarized the operational experience of the Board of Supervisors of domestic systemically important banks, and taking into account the actual work of the Bank, the Board of Supervisors proposed optimization measures from four dimensions, including promoting the organic integration of the Party leadership and the work of the Board of Supervisors, constructing a coherent and coordinated supervision system of the Board of Supervisors, strengthening the supervision work to a deep and solid level, and effectively improving the effectiveness of governance, and the Board of Supervisors established and improved the joint supervision mechanism, mechanism of linkage of supervision and audit, mechanism of linkage of parent company and subsidiaries, rectification and supervision mechanism, discussion and negotiation mechanism, and regular abstract mechanism for the work of the Board of Supervisors.

II. INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT ISSUES

(I) Introduction to operation compliance

During the Reporting Period, the Bank saw compliant operations and standardized management, with its operating activities in compliance with the relevant provisions of laws, regulations, and the Articles of Association, and each decision-making procedure being legitimate and effective. No violations of laws, regulations, the Articles of Association or other acts against the interests of the Bank and Shareholders were found during the performance of duties by the Board of Directors and senior management of the Bank.

(II) Introduction to the financial report

The 2023 financial report of the Bank was audited by KPMG Huazhen LLP and KPMG engaged by the Board of Directors of the Bank, which has issued a standard unqualified audit report; the Board of Supervisors is in the opinion that the

preparation of the annual financial report and the audit procedure were in compliance with laws, regulations and regulatory requirements, and its content truly, accurately and completely reflected the financial conditions and operating results of the Bank.

(III) Related party transactions

During the Reporting Period, the Board of Supervisors supervised the management of the related party transactions of the Bank and considered that they were in compliance with the relevant provisions of national laws and regulations and the Articles of Association, and no inside trading and behaviors that damage the interests of Shareholders and the Bank were found.

(IV) Internal control

During the Reporting Period, the Bank paid great attention to the building of the internal control system, and no major deficiencies were found in the internal control system or its implementation.

(V) Implementation of information disclosure

During the Reporting Period, the Bank performed its obligation of information disclosure strictly in accordance with the requirements of regulatory policies, conscientiously implemented the management system of information disclosure affairs, disclosed information in a timely and fair manner, and no false records, misleading statements or major omissions in the disclosed information were found.

(VI) Implementation of resolutions of shareholders' general meetings

During the Reporting Period, the Board of Supervisors organized its members to attend the shareholders' general meetings. They had no objections to the contents of reports and proposals submitted by the Board of Directors of the Bank to the shareholders' general meeting for consideration, carried out supervision on the implementation of the shareholders' general meeting's resolutions and considered that the relevant resolutions of the shareholders' general meeting can be duly implemented by the Board of Directors.

In 2024, the Board of Supervisors will strictly follow the requirements of the superior competent authorities and regulatory authorities, follow the working principles established by the new Board of Supervisors of "seeking supervision from the overall situation, participating without intervening; making suggestions from the strategic level, being in place without offside; investigating the loopholes from the level of the mechanism, building on the achievements without adding troubles; and identifying problems from the level of the implementation, being balanced without confrontations", continuously enrich the means of supervision, integrate the performance forces, extend the supervisory scope, effectively play its supervisory role in corporate governance and promote the high-quality development of the Bank through high-quality supervision.

Capital Adequacy Ratio Report for 2023 and Capital Adequacy Ratio Plan for 2024

Part I: Capital Adequacy Ratio Report for 2023¹

I. CAPITAL ADEQUACY RATIO

(I) Scope of consolidated statement

In 2023, the Company calculated the capital adequacy ratio in accordance with the Regulation Governing Capital of Commercial Banks (Provisional). The calculation scope of the consolidated capital adequacy ratio included the Company and subsidiaries of financial institutions that are included in the scope of consolidated financial statements in accordance with the provisions of the Regulation Governing Capital of Commercial Banks (Provisional).

Table 1 Basic Information on the Invested Institutions Included into the Scope of Consolidated Statement

| No. | Name of Invested Institution | Direct Shareholding Ratio of the Bank | Place of Registration |
|-----|---|---------------------------------------|---------------------------|
| 1 | Xiping Caifu County Bank Co., Ltd. (西平財富村鎮銀行股份有限公司) | 43.69% | Zhumadian, Henan Province |
| 2 | Xinyang Pingqiao Zhongyuan County Bank Co., Ltd. (信陽平橋中原村鎮銀行股份有限公司) | 51.73% | Xinyang, Henan Province |
| 3 | Qixian Zhongyuan County Bank Co., Ltd. (淇縣中原村鎮銀行股份有限公司) | 51.00% | Hebi, Henan Province |
| 4 | Xinxiang Zhongyuan County Bank Co., Ltd. (新鄉中原村鎮銀行股份有限公司) | 78.46% | Xinxiang, Henan Province |
| 5 | Linzhou Zhongyuan County Bank Co., Ltd. (林州中原村鎮銀行股份有限公司) | 51.00% | Linzhou, Henan Province |
| 6 | Puyang Zhongyuan County Bank Co., Ltd. (濮陽中原村鎮銀行股份有限公司) | 51.00% | Puyang, Henan Province |

¹ This Report is based on the Group's audited calibre.

| No. | Name of Invested Institution | Direct Shareholding Ratio of the Bank | Place of Registration |
|-----|--|---------------------------------------|------------------------------|
| 7 | Lushi Zhongyuan County Bank Co., Ltd. (盧氏中原村鎮銀行股份有限公司) | 51.00% | Sanmenxia, Henan Province |
| 8 | Xiangcheng Zhongyuan Rural Bank Co., Ltd. (襄城中原村鎮銀行股份有限公司) | 51.00% | Xuchang, Henan Province |
| 9 | Suiping Zhongyuan County Bank Co., Ltd. (遂平中原村鎮銀行股份有限公司) | 51.02% | Zhumadian, Henan Province |
| 10 | AB Leasing Co., Ltd. (邦銀金融租賃股份有限公司) | 90.00% | Zhengzhou, Henan Province |
| 11 | Henan Luanchuan Minfeng County Bank Co., Ltd. (河南欒川民豐村鎮銀行股份有限公司) | 30.33% | Luoyang, Henan Province |
| 12 | Mengjin Minfeng County Bank Co., Ltd. (孟津民豐村鎮銀行股份有限公司) | 34.58% | Luoyang, Henan Province |
| 13 | Shenzhen Nanshan Baosheng County Bank Co., Ltd. (深圳南山寶生村鎮銀行股份有限公司) | 42.05% | Shenzhen, Guangdong Province |
| 14 | BOL Financial Leasing Co., Ltd. (洛銀金融租賃股份有限公司) | 57.50% | Luoyang, Henan Province |
| 15 | Jiaxian Guangtian County Bank Co., Ltd. (郟縣廣天村鎮銀行股份有限公司) | 51.28% | Pingdingshan, Henan Province |
| 16 | Luohe Yancheng Zhongyuan County Bank Co., Ltd. (漯河鄆城中原村鎮銀行有限責任公司) | 51.00% | Luohe, Henan Province |

(II) Capital adequacy ratio

The measurement of the Bank's capital and risk-weighted assets satisfies the regulatory requirements of the Regulation Governing Capital of Commercial Banks (Provisional) issued by the CBIRC. As of December 31, 2023, the capital adequacy ratio of the Bank was 11.64%, representing a decrease of 0.19 percentage point as compared with those of the end of last year, the tier-one capital adequacy ratio and the core tier-one capital adequacy ratio were 10.44% and 8.10%, respectively, representing an increase of 0.97 percentage point and 0.11 percentage point, respectively, as compared with those of the end of last year.

Table 2 Capital Adequacy Ratio at All Levels

Unit: RMB100 million, %

| Items | | December 31, 2023 | December 31, 2022 | Changes |
|------------------------|---|----------------------|----------------------|---------|
| Net capital | Core tier-one capital | 769.06 | 743.09 | 25.96 |
| | Net tier-one capital | 991.71 | 882.03 | 109.68 |
| | Net capital | 1,106.27 | 1,101.42 | 4.85 |
| Capital adequacy ratio | Core tier-one capital adequacy ratio | 8.10% | 7.98% | 0.11% |
| | Tier-one capital adequacy ratio | 10.44% | 9.47% | 0.97% |
| | Capital adequacy ratio | 11.64% | 11.83% | -0.19% |

II. CAPITAL MANAGEMENT

(I) Internal capital adequacy assessment

The Bank's internal capital adequacy assessment process includes governance structure, risk identification and assessment, stress testing and capital planning, covering the main processes of risk management and capital management. Based on a comprehensive consideration and assessment of the major risks faced by the Bank, the level of matching between capital and risks is measured and an integrated risk and capital management system is established to ensure that a capital level appropriate to its own risk profile is maintained in different market environments. The Bank has continued to promote the optimization of its internal capital adequacy assessment methodology and has developed a more standardized governance structure, sound policies and systems, a complete assessment process, a regular monitoring and reporting mechanism and internal audits, which have facilitated the adaptation of the Bank's capital to its development strategy, operating conditions and risk level, thus meeting external regulatory requirements and internal operational management needs. At present, the Bank's capital adequacy ratio is commensurate with its risk management capability, and its capital planning matches its operating conditions, changing risk trends and long-term development strategies, maintaining an appropriate capital buffer on the basis of adequate risk coverage and laying a solid foundation for sound operation and sustainable business development.

(II) Capital management plans and management plans for capital adequacy ratio

In compliance with the CBIRC's Regulation Governing Capital of Commercial Banks (Provisional) and other applicable requirements, the Bank has forecasted the future demand for capital replenishment by referring to the capital adequacy of listed banks with trillion-level assets and fully considering factors such as constraints on endogenous capital growth resulting from the pressure on profitability during the economic downtrend, to ensure that the capital adequacy levels meet the regulatory requirements and needs of operation and management.

In 2023, the Bank continued to develop an annual management plan for capital adequacy ratio in accordance with its medium- and long-term capital management plan to ensure that the annual capital management plan is compatible with various business plans and that the capital adequacy levels satisfy the internal management requirements. The Bank dynamically monitored, tracked and analyzed capital adequacy ratio and adopted measures such as reasonably controlling the asset growth rate, adjusting the structure of risky assets, continuously disposing of low-yield assets, and improving internal capital accumulation to prevent potential risks, thereby supporting the sustainable development of its various businesses.

(III) Particulars of capital

1. Capital composition

The following table sets out the capital composition of the Bank.

Table 3 Capital composition

Unit: RMB100 million

| Items | December 31, 2023 | December 31, 2022 | Compared with the beginning of the year |
|---|----------------------|----------------------|--|
| Net core tier-one capital | 769.06 | 743.09 | 25.96 |
| Net tier-one capital | 991.71 | 882.03 | 109.68 |
| Net capital | 1,106.27 | 1,101.42 | 4.85 |
| Composition of core tier-one capital | | | |
| Share capital | 365.50 | 365.50 | 0.00 |
| Qualifying portion of capital reserve | 194.14 | 193.01 | 1.13 |
| Surplus reserve | 31.08 | 28.04 | 3.04 |
| General risk reserve | 165.48 | 137.94 | 27.54 |
| Retained earnings | 24.32 | 30.83 | -6.52 |
| Qualifying portions of non-controlling interests | 20.41 | 19.71 | 0.70 |
| Core tier-one capital deductions | | | |
| Goodwill | -19.82 | -19.82 | 0.00 |
| Other intangible assets (excluding land use rights) | -12.05 | -12.12 | 0.08 |
| Other tier-one capital | 222.66 | 138.93 | 83.72 |
| Composition of tier-two capital | | | |
| Qualifying tier-two capital instruments issued | 20.00 | 120.00 | -100.00 |
| Surplus provision for loan impairment | 89.10 | 94.15 | -5.04 |
| Qualifying portions of non-controlling interests | 5.46 | 5.25 | 0.21 |

2. *Changes in share capital*

As of December 31, 2023, the share capital of the Bank was 36.550 billion, remaining unchanged from the end of 2022.

3. *Major capital investment*

In 2023, the Bank had no major investment.

III. RISK MANAGEMENT

(I) Risk management system

1. *Establishing a sound and effective risk governance structure*

The Bank established a risk governance structure with sound organizational structure and clear responsibility boundaries, defined the division of responsibilities of the Board of Directors, the Board of Supervisors, the senior management, the business department, the risk management department and the internal audit department in risk management, and formed a multi-level, interconnected, effective checks and balances operation mechanism. Among them: the Board of Directors assumed the ultimate responsibility for comprehensive risk management; the senior management assumed the responsibility for the implementation of comprehensive risk management and implemented the resolutions of the Board of Directors; the business line assumed direct responsibility for risk management, and the risk management line assumed the responsibility for formulating policies and procedures, and daily monitoring and managing risks. The internal audit department is responsible for auditing the performance of the business department and risk management department. Under the leadership of senior management, each functional department clarified the boundaries of responsibilities, formed a working mechanism with separation of front, middle and back offices, and joint management of three lines of defense, to coordinate and manage various major risks.

2. *Strengthening risk management strategy, risk preference and risk limit management*

Firstly, the Bank formulated the Risk Preference Statement of Zhongyuan Bank (《中原銀行風險偏好陳述書》) on an annual basis, promulgated the Risk Preference Management Measures of Zhongyuan Bank (《中原銀行風險偏好管理辦法》), standardized and improved the risk preference management mechanism, and effectively assessed the total amount of risks that the Bank is willing to undertake in order to achieve its strategic objectives and business plans, and the maximum level of various risks that it is willing to undertake, and monitored and analyzed the implementation of risk management strategies and risk preferences by each business line, branch and subsidiary. **Secondly**, the Bank promulgated the Management Measures for the Customer Risk Limits of Zhongyuan Bank, and formulated a credit risk concentration management programme on an annual basis, a Tier 3 market risk limit management programme, and a country risk limit management programme, set risk limits varied with customers, industries, regions, products and other dimensions, clarified policies and procedures for the management of major categories of risk limits, and established mechanisms for setting, monitoring, and adjusting risk limits, and reporting and handling over limits.

3. *Improving risk management policies and procedures*

Focusing on the 12+1 categories of risks, the Bank formed a risk management policy system guided by risk preference and focused on comprehensive risk management policies, covering the 12+1 categories of single risks. It adopted a combination of qualitative and quantitative management to clarify the methods and procedures for identification, measurement, assessment, monitoring, reporting, control or mitigation of all kinds of risks. Moreover, it regularly evaluated the effectiveness of risk management strategies and revised and improved them in a timely manner, to ensure the Bank's comprehensive and effective implementation of risk management and achieve its development strategy and business objectives.

4. *Constantly improving the risk management information system*

The Bank established a new generation of credit management system for credit risk (including concentration risk), a market risk management system for market risk, an internal control compliance and operational risk system for operational risk, and an off-site compliance monitoring system for compliance risk, an anti-money laundering monitoring and reporting system for money laundering risks, a liquidity management system for liquidity risks, and an all-media public opinion monitoring system for reputation risks (outsourcing cooperation). Although other risks such as country risks have not established a separate management system, they were managed through the credit system and market risk management system respectively.

At the same time, the Bank launched the construction of a comprehensive risk management platform project in 2023. At present, the winning bidder is currently in place. After the system is launched, it will open up the data silos existing in various single risk management systems and embed the 12+1 categories of risk monitoring indicator database, risk limits and risk management strategies into the system to create closed-loop management of indicator monitoring, trend analysis, automatic early warning, circuit breaker management, risk reporting, and intervention processing, forming a management cockpit and a panoramic view of risk.

5. *Strengthening data quality control mechanism*

Firstly, the Bank established an organizational structure for data governance with a sound organizational structure and clear delineation of responsibilities, issued the Data Governance Management Measures of Zhongyuan Bank to clarify the responsibilities of the Board of Directors, Board of Supervisors, senior management and relevant departments. The Board of Directors formulated data strategy planning and promoted the implementation of the data strategy; the senior management established the Data Management Committee and formulated the Rules of Procedure of the Data Management Committee of Zhongyuan Bank to guide, promote and co-ordinate the commencement of the data governance work of the whole bank; the Data Information Department, as the centralized management department for data governance, organized and carried out special data quality improvement work across the Bank for retail business, corporate business, financial market business and risk management.

Secondly, the Bank established a relatively complete data management system, covering all areas of data management, including 19 data governance systems such as the Measures for the Management of Data Quality of Zhongyuan Bank and the Measures for the Management of Data Security of Zhongyuan Bank, clarified the Bank's organizational structure for data management, department responsibilities and coordination processes, and provided institutional guarantee for the improvement of data quality across the Bank.

Thirdly, in terms of data standards, the Bank published the Measures for the Management of Data Standards of Zhongyuan Bank, established enterprise-level data standards planning, and set up more than 1,000 basic data standards and more than 900 index data standards for eight themes, including customers, products, institutions, accounts, agreements, and events, etc., and pushed ahead with the completion of the system implementation of the standards for the themes of customers, institutions, and accounts as planned.

Fourthly, in terms of data quality, the Bank issued the Measures for the Management of Data Quality of Zhongyuan Bank to establish a data quality control system covering the entire life cycle and realize the discovery, analysis, improvement, monitoring and evaluation of data quality problems; the Bank established data quality supervision and inspection mechanism to regularly conduct bank-wide data quality inspections; the Bank formulated the Measures for the Management of the Data Governance Evaluation of Zhongyuan Bank and Measures for Data Statistics Special Evaluation of Zhongyuan Bank to incorporate data quality into the head office and branch evaluation system.

6. *Creating an independent and objective internal control and audit system*

The Bank adhered to and optimized the three lines of defense system for internal control, further consolidated the risk control responsibilities of the first line of defense, reasonably determined the risk control points of various business activities and management activities, adopted appropriate control measures, and implemented standard and unified business processes and management processes to ensure standardized operations. The Bank also incorporated comprehensive risk management into the scope of internal audit, which was independent of business operations, risk management and compliance management, and followed the principles of independence and objectivity and regularly reviewed and evaluated the adequacy and effectiveness of comprehensive risk management.

In conclusion, the Bank has established a risk management framework system and operation mechanism compatible with its business scale and development stage, so as to lay a solid foundation for ensuring the sustainable and steady development of various businesses and preventing and resolving various financial risks.

(II) Risk-weighted assets

The Bank adopted the weighted method, the standardized method and the basic indicator method to measure credit risk-weighted assets, market risk-weighted assets and operational risk-weighted assets, respectively.

Table 4 Risk-weighted assets*Unit: RMB100 million*

| Items | December 31, 2023 | December 31, 2022 | Compared to the beginning of the year |
|---|----------------------|----------------------|---|
| Credit risk-weighted assets | 9,005.14 | 8,835.58 | 169.55 |
| On-balance-sheet credit risk-weighted assets | 8,619.69 | 8,311.69 | 308.00 |
| Off-balance-sheet credit risk-weighted assets | 385.45 | 523.89 | -138.44 |
| Market risk-weighted assets | 48.26 | 69.91 | -21.65 |
| Operational risk-weighted assets | 446.77 | 403.52 | 43.25 |
| Total | 9,500.17 | 9,309.02 | 191.16 |

IV. CREDIT RISK

The Bank's credit risk sources mainly include: loans, capital business (including deposits with banks, placements with banks, resale, corporate bonds and financial bond investment, etc.), receivables, off-balance sheet credit business (including guarantee, commitment, financial derivative trading, etc.).

(I) Credit risk management

The Bank always maintained its prudent risk preference, adhered to the concept of active risk management, comprehensively measured the nature, scale and complexity of the business, and established a whole-process credit risk management system including credit acceptance and investigation, risk assessment and approval, contract signing, issuance and payment, and post-credit management, forming a working mechanism of segregation of duties among front, middle and back offices, and co-management of three lines of defense to ensure effective identification, measurement, control, monitoring and reporting of credit risks.

The Bank adhered to the risk culture of “everyone being responsible for risk prevention; steady development, and sticking to the bottom line (防範風險、人人有責；穩健發展、堅守底線)”. It continued to improve the risk system, strictly implemented the control mechanism for new additions and deteriorations, accelerated the construction of online risk prevention, vigorously reduced existing loans and controlled new loans, continuously strengthened team building, and improved the refined management, so that the asset quality remained basically stable.

(II) Credit risk exposure

1. *Non-performing loans*

Non-performing loans refer to credit assets identified as substandard, doubtful and loss categories in accordance with the relevant provisions of the Bank on the classified management of credit asset risks.

In recent years, the Bank has further promoted the adjustment of credit structure, comprehensively strengthened risk prevention measures, accelerated the disposal of non-performing assets, and maintained the stable quality of credit assets. As of December 31, 2023, the Bank’s total non-performing loans amounted to RMB14.452 billion, representing an increase of RMB1.253 billion as compared with the beginning of the year.

Table 5 Classification of asset quality by five levels

Unit: RMB100 million

| Items | December 31, 2023 | December 31, 2022 |
|-----------------------|----------------------|----------------------|
| Loans | 7,074.62 | 6,840.74 |
| Normal loans | 6,930.10 | 6,708.75 |
| Normal loans | 6,699.84 | 6,530.67 |
| Special mention loans | 230.26 | 178.08 |
| Non-performing loans | 144.52 | 131.99 |
| Substandard loans | 31.04 | 53.13 |
| Doubtful Loans | 17.17 | 50.02 |
| Loss loans | 96.31 | 28.84 |

2. *Provision for impairment on loans*

In accordance with the requirements of IFRS 9 – Financial Instruments, with the assistance of external consulting firms, the Bank divided the stages according to the characteristics of different loans, and set the default probability, loss given default, exposures at default and other calculation rules, reasonably evaluated the expected credit loss on loans, and made provision for impairment on loans.

As of December 31, 2023, the Bank’s provision for impairment on loans was RMB22.265 billion, representing an increase of RMB1.6 billion as compared to the beginning of the year.

(III) Credit risk measurement

1. *Weight method*

According to the relevant provisions of the Regulation Governing Capital of Commercial Banks (Provisional), the Bank determines the risk weight applicable to each business and calculates credit risk-weighted assets.

2. *Risk mitigation management*

In accordance with the requirements of the Regulation Governing Capital of Commercial Banks (Provisional), the Bank actively carried out the construction and improvement of relevant policies and systems, and has formed a sound system to clarify the bottom line of risk mitigation management. The Bank standardized the basic management requirements and policy bottom line of collateral, including acceptance criteria, classification and mortgage rate, acceptance and review, value assessment, establishment and change, warrant management, monitoring, return and disposal, information entry and data maintenance, etc. of collateral.

V. MARKET RISK

(I) Market risk management system

The goal of the Bank’s market risk management is to control the negative impact of adverse movements in market rates on financial instrument positions and related businesses within a reasonable range that the Bank can bear by continuously improving the governance structure, institutional system, organizational system, measurement and monitoring and reporting system for market risk, effectively measuring market risk by using the market risk management system, and

implementing the market risk control objectives through the whole process of management, so as to ensure that various market risk indicators satisfy regulatory requirements and operational needs.

In terms of the governance structure, the Bank established a sound governance structure from the Board of Directors, senior management to the executive level, and clarified the division of responsibilities among the Board of Directors, senior management and relevant departments, etc.

In terms of the policy system, the Bank formulated and issued the Market Risk Management Policies of Zhongyuan Bank (《中原銀行市場風險管理政策》), the Measures for Administration of the Market Risk Measurement of Zhongyuan Bank (《中原銀行市場風險計量管理辦法》), the Measures for Administration of the Middle Office Supervision of Capital Transaction Business of Zhongyuan Bank (《中原銀行資金交易業務中台監控管理辦法》), the Measures for Administration of the Exchange Rate Risk of Zhongyuan Bank (《中原銀行匯率風險管理辦法》), the Measures for Administration of the Interest Rate Risks of Bank Accounts of Zhongyuan Bank (《中原銀行銀行賬戶利率風險管理辦法》), the Measures for Administration of the Interest Rate Risk Stress Test of Bank Accounts of Zhongyuan Bank (《中原銀行銀行賬戶利率風險壓力測試管理辦法》), the Guidelines for Emergency Management of the Interest Rate Risks of Bank Accounts of Zhongyuan Bank (《中原銀行銀行賬戶利率風險應急管理辦法》), the Guidelines for Emergency Management of Major Market Risks of Zhongyuan Bank (《中原銀行重大市場風險應急管理辦法》), the Measures for Administration of the Interest Rate Risks Limit of Bank Accounts of Zhongyuan Bank (《中原銀行銀行賬戶利率風險限額管理辦法》) and the Measures for Administration of the Interest Rate Risks Report of Bank Accounts of Zhongyuan Bank (《中原銀行銀行賬戶利率風險報告管理辦法》) and other systems and policies, and amended the Measures for Control and Administration of Market Risk Management System Data of Zhongyuan Bank (《中原銀行市場風險管理系統數據控制管理辦法》) in 2023 to further improve the Bank's market risk management framework and management process.

In 2023, the Bank's market risk management framework was clear. Its policy and institutional system was complete, its risk identification, measurement, monitoring and control methods were effective, its market risk management system was in normal operation and functioning soundly, and its market risk was stable and controllable in overall terms. In the future, the Bank will continue to strengthen its market risk management, optimize its control methods and improve the quality and efficiency of its management.

(II) Establishment of a Tier 3 limit control system using limits as a guideline

The Bank has set up Tier 1 market risk limit indicators in the Risk Preference Statement of Zhongyuan Bank Co., Ltd. (2023) (《中原銀行股份有限公司風險偏好陳述書(2023年)》) and set up Tier 2 market risk limit indicators for the whole Bank. The Bank has published the Tier 2 Market Risk Limit Management Programme of Zhongyuan Bank for 2023 (《中原銀行2023年市場風險二級限額管理方案》) to promote the setting up of Tier 3 market risk limit indicators by the Financial Markets Department. Through the setting of market risk limit indicators, monitoring and early warning, and regular review and updating of the limit indicator management system, the Bank has ensured the effective implementation of limit management and enhanced the effectiveness of the Bank's market risk management.

(III) Continuously enhancing the measurement level of market risks

The market risk management system of the Bank includes modules such as measurement engine, data market, display of management reports and intelligent monitoring management, covering core functions such as product valuation, VaR measurement, profit and loss calculation, limit management, backtesting and stress test, realizing the refined management changes from manual measurement to systematically automated measurement.

The Bank continued to promote the implementation of the new market risk standardized method. Firstly, in accordance with the requirements of the new capital management rules, the Bank has optimized its market risk policy system, management process and measurement methodology, strengthened the market risk management system model review and data governance, and refined the management of market risk; secondly, the Bank has launched the FRTB project for the market risk management system to improve the market risk management system and support the T+1 analysis, measurement and monitoring of the Bank's financial market business in terms of comprehensive risk management, so as to achieve regulatory compliance.

To prevent tail losses, the Bank conducts stress tests on a regular basis. In view of different market environments, position status and risk characteristics, the Bank deploys, designs and constructs various composite stress test scenarios such as historical scenarios and expert scenarios in its market risk management system, to fully assess the Bank's market risk capacity under various extreme scenarios and to enhance the foresight and comprehensiveness of its market risk management.

The Bank strengthened the market risk management and control for new products/new business. To ensure the comprehensiveness and accuracy of market risk measurement during the development of new products/new business, the Bank required the front and middle office to maintain a high degree of synergy during the

development of new products/new business to ensure the consistency and timeliness of investment portfolios, transaction data, reference data, etc., and regularly conducted market risk monitoring and post-evaluation work.

VI. OPERATIONAL RISK

The Bank carried out various business activities under the premise of steady control of operational risks, closely integrated the operational risk management with the business development process, strengthened the internal control measures, continuously improved the internal control and compliance and the operational risk management system, and continuously enhanced the level of refinement of operational risk management to ensure the sustainable and sound development of business.

(I) Overview of operational risk management

The Bank established comprehensive operational risk management systems with clear provisions on the organizational structure of operational risk management, management responsibilities, identification and assessment of risks, operational risk reporting path, and compliance guidelines that shall be followed by employees.

The Board of Directors, the Board of Supervisors and the senior management constitute the leading body to supervise the operational risk management of the Bank. All business lines, or departments, as well as branches and outlets have had risk management positions, compliance management departments, and internal audit departments in place, which are the “three lines of defense” for the Bank’s operational risk management.

In 2023, the Bank strengthened its operational risk management through inspection of various business lines and staff conduct checks, improvement of systems, and compliance training sessions. Constantly improving the internal controls compliance and operational risk management system, the Bank strengthened the application of the three major tools and organized periodic assessments of processes, monitoring and analyzing of key risk indicators, and loss data collection. The Bank continuously improved its capabilities and levels in operational risk management, while ensuring effective implementation of risk identification, monitoring, and reporting.

(II) Internal process management

At present, the Bank's processes involve four levels, which include the corporate governance level, business level and information technology level, and there are 18 first-class processes in total, namely corporate level, information technology management, credit management, compliance management, legal affairs management, general management, operation management, human resources, planning finance, corporate banking business, retail banking business, electronic banking business, financial markets business, trade finance business, supply chain finance business, interbank business, investment banking business and wealth management business. In the fourth quarter of this year, the Bank conducted regular annual process re-examination to analyze the weak links of the Bank's businesses and management processes based on the results of monitoring and early warning of risk indicators and loss events, organized the re-examination on 113 second-class processes of the whole Bank, and it is expected that amendments will be made to 34 second-class processes according to feedbacks from departments of the head office. The management departments of the head office effectively identify operational risks in their own business areas, improve control measures in a timely manner and enhance the control capability of operational risks of the whole Bank through process sorting and risk self-assessment.

(III) Business continuity management**1. Business Continuity Resource Construction**

Re-examined and optimized the design of the server room of the Lianhu data centre, and continued to promote the construction of the self-built data centers; the relocation of the remote disaster recovery server room to Xinyang has completed. The Bank completed the construction and renovation of dual-center and dual-activity at the application level for nine sets of systems, including credit card telemarketing and Yuanxin. The Bank promoted the replacement of new and old equipment and structural transformation. It completed the replacement, upgrading and transformation of important network equipment such as core switches, core firewalls, SDNSpine switches and load balancing in the production data center.

2. Business Continuity Drills

In 2023, the Bank orderly carried out drills in accordance with the drill plans in a step-by-step and hierarchical manner. The content of the drills covered a wide range of areas, including high availability emergency drills, disaster recovery switching drills, specialized emergency drills for important businesses, emergency drills for information security, and so on.

(IV) Outsourcing risk management

The Bank's outsourcing management activities were carried out in six areas, including outsourcing project management, outsourcing service provider monitoring, outsourcing service evaluation and management, outsourcing contract management, information security protection, and business continuity risk management of outsourcing service. During the outsourcing inspection, the Bank was able to carry out outsourcing management activities in accordance with the system requirements for the above outsourcing activities, and there were no outsourcing risk incidents throughout the year, and the outsourcing risk was generally controllable.

(V) Operational risk management in the operational category

In 2023, the Bank organised and implemented a series of inspection and investigation activities in accordance with the annual work plan, based on the actual operational risk management and the frontline business needs of branches, and continued to regulate the counter management work through various ways such as training, counselling and reminding, so as to maintain the pressure on the management of operational risk.

VII. REMUNERATION**(I) Nomination and Remuneration Committee**

As of December 31, 2023, the Nomination and Remuneration Committee of the Bank consists of three Directors, including Mr. XU Yiguo as the Chairman and Ms. ZHAO Zijian and Mr. PAN Xinmin as the members.

The major responsibilities of the Nomination and Remuneration Committee include:

1. developing the Bank's remuneration management system and policy and submitting the same to the Board of Directors for consideration;
2. developing the assessment criteria for Directors and senior management and submitting the same to the Board of Directors for consideration, conducting the assessment in accordance with the assessment criteria and making suggestions in this respect;
3. making recommendations to the Board of Directors on the Bank's policy and proposals for the Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing

remuneration policy after research and review; reviewing and approving the recommendations made by the management regarding remuneration according to the principles and objectives specified by the Board of Directors;

4. making recommendations to the Board of Directors on the remuneration packages of individual executive Directors and senior management. The remuneration packages should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
5. making recommendations to the Board of Directors on the remuneration of non-executive Directors;
6. reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with service contractual terms and is otherwise fair and not excessive;
7. reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with service contractual terms and are otherwise reasonable and appropriate;
8. ensuring that no Director or any of his/her associates (as defined in the Hong Kong Listing Rules) is involved in deciding his/her own remuneration;
9. developing the medium-term to long-term incentive plans and its proposal of implementation of the Bank;
10. evaluating regularly the market competitiveness of the remuneration of the Bank, considering salaries paid by comparable banks, time commitment and responsibilities, and employment conditions elsewhere in the Bank and its subsidiaries, as well as making dynamic adjustments to the remuneration policy of the Bank;
11. reviewing the structure, size, composition and diversification (including the skills, knowledge and experience) of the Board of Directors at least annually and making recommendations on any proposed changes to the Board of Directors to complement the Bank's corporate strategy;
12. reviewing the selection criteria and procedures of Directors and senior management personnel (such as the president of the Bank), and making recommendations;

13. seeking extensively for candidates that are qualified to act as Directors and senior management personnel (such as the president of the Bank), selecting such nominated personnel to serve as Directors or the president of the Bank, and making recommendations to the Board of Directors in this regard;
14. investigating the candidates for Directors and senior management personnel (such as the president of the Bank), and making recommendations;
15. reviewing the appointment or dismissal proposal of the senior management members, such as the Bank's vice presidents, assistants to the president and finance officers submitted by the president and making recommendations to the Board of Directors;
16. assessing the independence of independent Directors of the Bank;
17. making recommendations to the Board of Directors on the appointment or reappointment of Directors of the Bank and succession planning for Directors, in particular the chairman, and the president of the Bank;
18. formulating and when appropriate, reviewing the diversification policy of the Board of Directors;
19. other responsibilities that should be discharged by the Nomination and Remuneration Committee of the Board of Directors as required by the Hong Kong Listing Rules;
20. other powers of the Committee as authorized by the Board of Directors.

(II) Remuneration policies

The remuneration structure is designed based on the concept of paying for abilities, responsibilities and contributions, and a sound remuneration management system has been established. The Bank gave full play to the guiding role of remuneration in operation and risk management and control. In accordance with the principle of combining immediate incentives with long-term incentives and combining effective incentives and responsibility constraints, the Bank implemented deferred payment of performance-based remuneration for applicable personnel, and improved the management measures of relevant performance recovery and deduction, so as to further promote the senior management and employee's stable operation and sustainable development of the Bank.

(III) Basic information on the remuneration of senior management members

The Bank provides remuneration for its senior management members in accordance with the Rules for the Implementation of Remuneration Management for Senior Management Members of the Head Office of Zhongyuan Bank Co., Ltd. (《中原銀行股份有限公司總行高級管理人員薪酬管理實施細則》), and the Performance Assessment Measures for Senior Management Members of the Head Office of Zhongyuan Bank Co., Ltd. (《中原銀行股份有限公司總行高級管理人員業績考核辦法》).

Part Two: Capital Adequacy Ratio Plan for 2024²**I. CAPITAL ADEQUACY RATIO MANAGEMENT TARGETS FOR 2024****(I) Regulatory policy requirements**

According to the Regulation Governing Capital of Commercial Banks (《商業銀行資本管理辦法》), the minimum requirements for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.5%, 8.5% and 10.5%, respectively. At the same time, in accordance with the Notice on the Establishment of the Buffer Mechanism for Counter-cyclical Capital (《關於建立逆週期資本緩衝機制的通知》), the Bank shall reserve sufficient capital to effectively cope with the periodic adjustment requirements for the buffer mechanism for counter-cyclical capital. In addition, the capital and leverage indicators that carry veto power in the MPA assessment require that capital adequacy ratio shall be no less than the macro-prudential capital adequacy ratio.

(II) Business development needs

The target of capital adequacy ratio is set on the basis of the annual operation plan for the current year, upon full consideration of the changes in risk-weighted assets and the endogenous capital growth due to business development, in combination with the operation strategy orientation of “light capital and light costs”, thus improving the efficiency of capital use.

² The capital adequacy ratio is a regulatory indicator of the CBIRC. In order to meet the regulatory requirements, Capital Adequacy Ratio Plan for 2024 is prepared based on the regulatory filing of the parent company submitted to the CBIRC.

According to the asset and liability development target of the Bank for 2024, the Bank has made the business plan for 2024 after comprehensively considering various factors, such as profitability, dividend policy, risk preference and policy orientation.

In 2024, the Bank will continue to maintain its policy orientation of credit support for private small and micro enterprises, its asset structure will be further tilted towards credit assets, and the asset allocation will continue to return to its original purpose. It is expected that the risk-weighted assets will increase by approximately RMB10.0 billion due to business development.

(III) Capital adequacy ratio target in 2024

Taking into account the above regulatory policy requirements, capital planning requirements, business development needs in 2024 and other factors, the Bank's capital adequacy ratio for regulatory filing is expected to be no less than 12.5% in 2024, which complies with regulatory requirements.

If the external environment changes during the current year, the Bank will make appropriate adjustments according to the actual situation.

II. CAPITAL REPLENISHMENT NEEDS IN 2024

The Bank adheres to the capital replenishment principle of placing endogenous accumulation primarily assisted by exogenous supplement, and raises funds through multiple channels and methods to ensure adequate capital levels. According to the Bank's business development plan for 2024, it is expected to ensure a stable capital adequacy ratio at all levels in 2024 by further improving the efficiency of capital utilization, increasing endogenous retention and issuing debt financing instruments, etc.

Based on the current capital structure of the Bank, on the one hand, considering the redemption and renewal of the existing capital instruments, and on the other hand, considering that the current capital adequacy ratio of the Bank is slightly lower than the level of peers, and on the basis of strengthening the retention of endogenous profits, the Bank intends to issue no more than RMB12 billion of the tier-two capital bonds in 2024 to enhance the level of capital adequacy ratio of the Bank and reach the average level of listed city commercial banks.

III. ADMINISTRATIVE MEASURES FOR CAPITAL ADEQUACY RATIO**(I) Continuing to adjust the asset structure and vigorously developing capital-light businesses**

The Bank will continue to support the development of the real economy as its business philosophy, promote the “light capital and light costs” business model, continue to adjust and optimize the structure of the on- and off-balance sheet assets, and increase the proportion of the on- and off-balance sheet businesses with high comprehensive income and low capital occupation. Firstly, the Bank will first develop small and micro credit and retail credit business with low capital consumption. Secondly, the Bank will steadily increase the scale of low capital consumption bonds, especially the local government bonds that support the construction of local economy. Thirdly, the Bank will gradually adjust its structure in inter-bank asset, and compress the scale in the inter-bank investment assets. At the same time, the Bank will vigorously develop its off-balance sheet businesses, such as investment banking and transaction banking with low capital consumption, in order to increase revenue and reduce capital consumption.

(II) Refining the management of various assets to reduce the coefficient on risk-weighted assets

The Bank will continue to strengthen the refined management of various assets to realize the penetration measurement of risk-weighted assets and save capital consumption. Firstly, the Bank will strengthen the management and control of risk-weighted asset limits for each line, guide business lines to manage risk-weighted asset quotas in a refined manner, and enhance the awareness of capital conservation. Secondly, the Bank will proactively adjust the structure and maturity of businesses with relatively high capital consumption, and reduce capital consumption by increasing penetration and risk mitigation. Thirdly, the Bank will strengthen the management and control of inefficient assets on and off the balance sheet, clear the responsibilities of the designated management departments and continue to proactively clean up the expired assets on and off the balance sheet to reduce the occupation of invalid assets.

(III) Improving the economic capital assessment system and constantly optimizing the capital assessment methods

To improve the capital constraint incentive mechanism, the Bank will closely combine the capital allocation with budget management and performance assessment, and also gradually implement a performance evaluation and appraisal mechanism centered on EVA (Economic Value Added), and RAROC (Risk-Adjust Return On Capital), to ensure the capital cost concept and the philosophy of capital management are integrated into all aspects of operation and management, so as to realize the steady development of all businesses under regulatory constraints in accordance with the allocation principle of “risk and return optimization”.

(IV) Replenishing capital through multiple channels to ensure a stable capital adequacy level

Keeping a close eye on the regulatory policies and market conditions, the Bank will actively study various capital replenishment instruments such as convertible bonds and domestic preference shares, and maintain communication with the Department of Finance of Henan Province, the CBIRC Henan Office, and other relevant departments. Considering factors such as the Bank's contribution to the regional economy and its influence on the regional banking industry, the Bank will strive to increase support for capital replenishment for the Bank, and ensure that the Bank's capital adequacy ratio remains consistently above the target level, thus providing a strong guarantee for the steady development of the Bank.

NOTICE OF 2023 ANNUAL GENERAL MEETING

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中原銀行股份有限公司* ZHONGYUAN BANK CO., LTD.*

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

(Stock Code of H Shares: 1216)

NOTICE OF 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 Annual General Meeting (the “AGM”) of Zhongyuan Bank Co., Ltd. (the “Bank”) will be physically held at 3:00 p.m. on June 21, 2024 (Friday) at the Dahe Jinyue Hotel, No. 2 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC to consider and approve, if thought fit, the following resolutions:

ORDINARY RESOLUTIONS

1. to consider and approve the Work Report of the Board of Directors for 2023;
2. to consider and approve the Work Report of the Board of Supervisors for 2023;
3. to consider and approve the Final Account Report for 2023;
4. to consider and approve the Financial Budget Report for 2024;
5. to consider and approve the Profit Distribution Plan for 2023;
6. to consider and approve the Capital Adequacy Ratio Report for 2023 and Capital Adequacy Ratio Plan for 2024;
7. to consider and approve the Directors Remuneration Report for 2023;
8. to consider and approve the Supervisors Remuneration Report for 2023; and
9. to consider and approve the Engagement of Auditors for 2024.

On behalf of the Board
Zhongyuan Bank Co., Ltd.*
GUO Hao
Chairman

Zhengzhou, the PRC
May 31, 2024

NOTICE OF 2023 ANNUAL GENERAL MEETING

As of the date of this notice, the Board of Directors of the Bank comprises Mr. GUO Hao as executive Director; Ms. ZHANG Qiuyun, Mr. FENG Ruofan and Ms. ZHANG Shu as non-executive Directors; Mr. XU Yiguo, Ms. ZHAO Zijian, Mr. WANG Maobin, Mr. PAN Xinmin and Mr. GAO Pingyang as independent non-executive Directors.

* *Zhongyuan 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 and/or deposit-taking business in Hong Kong.*

NOTICE OF 2023 ANNUAL GENERAL MEETING

Notes:

1. Pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), all resolutions proposed at the AGM will be voted by poll except for the resolutions concerning relevant procedures or administrative matters which the chairman of the AGM decides to permit the vote by a show of hands. The voting results will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.zybank.com.cn) in accordance with the Listing Rules.

2. CLOSURE OF THE REGISTER OF MEMBERS

The Bank’s register of members will be closed from June 18, 2024 (Tuesday) to June 21, 2024 (Friday), both days inclusive, during which period no transfer of the shares of the Bank (the “**Shares**”) will be effected. The Shareholders of the Bank (the “**Shareholders**”) whose names appear in the Bank’s register of members on June 21, 2024 (Friday) shall be entitled to attend and vote at the AGM.

For a Shareholder to be eligible for attending and voting at the AGM, all transfer documents together with the relevant share certificates and other appropriate documents must be delivered to the 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 the H Shareholders) or the office of the board (the “**Board**”) of directors of the Bank at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the domestic Shareholders) not later than 4:30 p.m., June 17, 2024 (Monday) for registration.

3. PROXY

Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more person(s) (if the Shareholder holds two or more issued Shares), whether (each of) such person is a Shareholder or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the AGM.

The proxy concerned must be appointed with a power of attorney. The power of attorney concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the power of attorney shall be affixed with the common seal of the legal person or signed by its director or a representative duly authorized in writing. If the power of attorney of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized and served at the same time as the power of attorney. To be valid, the form of proxy, together with a notarially certified copy of the power of attorney or other authority must be delivered to the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the H Shareholders) or to the office of the Board at Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC (for the domestic Shareholders) not later than 24 hours before the scheduled time for the holding of the AGM or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy and the power of attorney, you can attend and vote in person at the AGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares at the AGM in person or by proxy as the only holder entitled to vote. If one or more registered joint holders attend the AGM in person or by proxy, the vote of the registered joint holder (in person or by proxy) whose name appears first in the Bank’s register of members will be accepted as the sole and exclusive vote of such joint holders.

NOTICE OF 2023 ANNUAL GENERAL MEETING

4. MISCELLANEOUS

The Shareholders or their proxies shall present their identity documents when attending the AGM (or any adjournment thereof). The legal representative of or any other persons officially authorized by a corporate Shareholder shall present his/her identity documents and the notarially certified documents for appointment as a legal representative or valid authorization document(s) (as the case may be) when attending the AGM (or any adjournment thereof).

The AGM is expected to last for no more than half a business day. Shareholders and their representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

Address of Computershare Hong Kong Investor Services Limited:

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

Address of the office of the Board:

Zhongke Golden Tower
No. 23 Shangwu Waihuan Road
Zhengdong New District
Zhengzhou
Henan Province
the PRC
Tel: (86) 0371-8551 7898
Fax: (86) 0371-8551 9888

The details about the aforesaid resolutions proposed for the consideration and approval at the AGM have been set out in the circular despatched by the Bank to the Bank's H Shareholders on May 31, 2024 (Friday) in the manner in which the H Shareholders of the Bank selected to receive corporate communications and is available on the website of the Stock Exchange at www.hkexnews.hk and the Bank's website at www.zybank.com.cn.