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If you are in any doubt as to any aspect of this circular, 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 **Bank of Qingdao Co., Ltd.***, you should at once hand this circular and the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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BQD  **青島銀行**
Bank of Qingdao Co., Ltd.*
青島銀行股份有限公司*

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

(H Shares Stock Code: 3866)

2023 ANNUAL GENERAL MEETING

A notice convening 2023 AGM of the Bank to be held at No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province, the PRC at 9:00 a.m. on Friday, 31 May 2024 is set out in this circular.

If you intend to attend and/or vote at the 2023 AGM, you are required to complete such proxy form in accordance with the instructions printed thereon and return it to the Bank's H Share Registrar (for H Shareholder(s)) or the Bank's PRC registered office and principal place of business (for A Shareholder(s)) not less than 24 hours before the designated time for convening the related meeting or any adjournment thereof. Completion and return of the proxy form shall not affect your right to attend or vote at such meeting or any adjournment thereof in person.

* *Bank of Qingdao 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 out banking and/or deposit-taking business in Hong Kong.*

10 May 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2023 AGM”	the 2023 annual general meeting of the Bank to be held at No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province, the PRC at 9:00 a.m. on Friday, 31 May 2024
“A Shareholder(s)”	holder(s) of A Shares
“A Share(s)”	the Bank’s ordinary shares of RMB1.00 each, which are listed on SZSE (stock code: 002948) and traded in RMB
“Articles of Association”	the Articles of Association of Bank of Qingdao Co., Ltd.
“ASBE”	Accounting Standards for Business Enterprises
“Bank”	Bank of Qingdao Co., Ltd.
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“Company”	Bank of Qingdao Co., Ltd. and its subsidiaries
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Bank
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Shareholder(s)”	holder(s) of H Shares
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank, which are listed on the Hong Kong Stock Exchange (stock code: 03866) and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise revised from time to time

DEFINITIONS

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRSs”	International Financial Reporting Standards
“Latest Practicable Date”	30 April 2024, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
“PBOC”	The People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“The Rules of Procedure of the Board of Directors”	the Rules of Procedure of the Board of Directors of Bank of Qingdao Co., Ltd.
“The Rules of Procedure of the Shareholders’ General Meeting”	the Rules of Procedure of the Shareholders’ General Meeting of Bank of Qingdao Co., Ltd.
“Plan on Authorisation to the Board Granted by the General Meeting”	the Resolution on the Plan on Authorisation to the Board Granted by the General Meeting of Bank of Qingdao Co., Ltd.
“Share(s)”	A Shares and/or H Shares of the Bank
“Shareholder(s)”	holder(s) of Shares
“Supervisor(s)”	the supervisor(s) of the Bank
“SZSE”	the Shenzhen Stock Exchange

In case of any discrepancy between the Chinese and English versions of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD

BQD  青岛银行
Bank of Qingdao Co., Ltd.*
青島銀行股份有限公司*

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

(H Shares Stock Code: 3866)

Members of the Board:

Executive Directors:

Jing Zailun (*Chairman*)

Wu Xianming

Chen Shuang

Liu Peng

Non-executive Directors:

Zhou Yunjie

Rosario Strano

Tan Lixia

Marco Mussita

Deng Youcheng

Independent Non-executive Directors:

Fang Qiaoling

Xing Lecheng

Zhang Xu

Cheung Man Chor, Elton

Du Ning

To the shareholders

Registered Address and

Address of Head Office:

Building No. 3, No. 6 Qinling Road

Laoshan District

Qingdao, Shandong Province

the PRC

Address of the Registered Office in

Hong Kong:

31st Floor, Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

2023 ANNUAL GENERAL MEETING

I. INTRODUCTION

The Board of Directors invites you to attend the 2023 AGM to be held at No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province, the PRC at 9:00 a.m. on Friday, 31 May 2024. This circular aims to provide more information on matters set out in the notice of the 2023 AGM.

* *Bank of Qingdao 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 out banking and/or deposit-taking business in Hong Kong.*

LETTER FROM THE BOARD

II. MATTERS TO BE CONSIDERED AT THE 2023 AGM

Resolution 1. Work Report of the Board of Directors for 2023

An ordinary resolution on the *Work Report of the Board of Directors of Bank of Qingdao Co., Ltd. for 2023* will be proposed at the 2023 AGM for approval. Please refer to Appendix I to this circular for the full text of the report.

Resolution 2. Work Report of the Board of Supervisors for 2023

An ordinary resolution on the *Work Report of the Board of Supervisors of Bank of Qingdao Co., Ltd. for 2023* will be proposed at the 2023 AGM for approval. Please refer to Appendix II to this circular for the full text of the report.

Resolution 3. Report for Final Financial Accounts for 2023

An ordinary resolution on the *Report for Final Financial Accounts of Bank of Qingdao Co., Ltd. for 2023* will be proposed at the 2023 AGM for approval.

The financial statements of the Company for 2023 prepared in accordance with ASBE have been audited by KPMG Huazhen LLP which has issued an audit report with standard unqualified opinions and the financial statements of the Company for 2023 prepared in accordance with IFRSs have been audited by KPMG which has issued an audit report with unqualified opinions. There is no difference in the net profit and the shareholders' equity between the two sets of statements.

The final financial accounts for 2023 of the Company are reported as below (based on ASBE):

In 2023, the Company realized operating income of RMB12.472 billion, representing a year-on-year increase of RMB828 million or 7.11%; net profit of RMB3.671 billion, representing a year-on-year increase of RMB504 million or 15.91%; net profit attributable to equity shareholders of the Company of RMB3.549 billion, representing a year-on-year increase of RMB466 million or 15.11%. As at the end of 2023, total assets amounted to RMB607.985 billion, representing an increase of RMB78.371 billion or 14.80% as compared with that as at the end of the previous year; non-performing loan ratio was 1.18%, representing a decrease of 0.03 percentage point as compared with that as at the end of the previous year, with the provision coverage of 225.96%, representing an increase of 6.19 percentage points as compared with that as at the end of the previous year; capital adequacy ratio was 12.79%, and the core tier-one capital adequacy ratio was 8.42%, representing a decrease of 0.33 percentage point as compared with that as at the end of the previous year. All indicators above have met regulatory requirements.

For details of the audited financial information for the year ended 31 December 2023 prepared based on IFRSs, please refer to the financial statements as set out in the 2023 annual report published by the Bank.

LETTER FROM THE BOARD

Resolution 4. Profit Distribution Plan for 2023

An ordinary resolution on the *Profit Distribution Plan of Bank of Qingdao Co., Ltd. for 2023* will be proposed at the 2023 AGM for approval.

The financial statements of the Bank for 2023 prepared in accordance with ASBE have been audited by KPMG Huazhen LLP which has issued an audit report with standard unqualified opinions and the financial statements of the Bank for 2023 prepared in accordance with IFRSs have been audited by KPMG which has issued an audit report with unqualified opinions. Based on the above audited financial statements, the net profit (in specifications of the parent company) realized by the Bank for 2023 recorded in both of the financial statements prepared in accordance with ASBE and IFRSs were RMB3.299 billion.

To this end, pursuant to the profit of the Bank, the Articles of Association and relevant regulatory requirements, the Bank intends to implement the profit distribution plan for 2023 as below:

- (i) 10% of the net profit of the Bank shall be appropriated to the statutory surplus reserve amounting to RMB330 million;
- (ii) To appropriate RMB755 million to general reserve;
- (iii) Distributed interest on perpetual bonds totaling RMB233 million in July and August 2023;
- (iv) RMB1.60 (tax inclusive) per 10 shares of cash dividend will be distributed to all ordinary shareholders on a basis of the total number of shares on the record date of equity distribution, with a distribution amount of approximately RMB931 million. Dividends of H Shares shall be paid in Hong Kong dollars. The applicable exchange rate of RMB to Hong Kong dollars shall be the average of the central parity rates in the interbank foreign exchange market of the five business days preceding the date of declaration of such dividends at the 2023 AGM (including the day the 2023 AGM to be held) as announced by the People's Bank of China;
- (v) The retained profit will be carried forward to the next year.

In addition, where permitted, the Bank's Board of Directors may propose interim cash dividends based on the Bank's operating conditions.

Taxation applying to dividends on ordinary Shares

In accordance with the *Enterprise Income Tax Law of the People's Republic of China* and the related implementation provisions, the Company shall withhold and pay enterprise income tax at the rate of 10% for non-resident enterprise shareholders whose names appear on the register of holders of H Shares on Monday, 10 June 2024.

LETTER FROM THE BOARD

Pursuant to the *Notice on Issues Concerning Individual Income Tax After the Annulment of Document Guo Shui Fa [1993] No. 045* (Guo Shui Han [2011] No. 348) promulgated by the State Taxation Administration of the PRC on 28 June 2011, dividend received by overseas resident individual shareholders from the shares issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax, which shall be withheld and paid by the withholding agents according to relevant laws; however, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China and the tax arrangements between Mainland China and Hong Kong/Macau.

In accordance with the above tax regulations, the Bank shall generally withhold and pay individual income tax at the rate of 10% for individual Shareholders of H Shares of the Bank unless otherwise specified by the relevant tax regulations and tax agreements, in which case the Bank will conduct specific procedures according to the relevant regulatory requirements of tax authorities.

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Bank listed on SZSE (the “**Shenzhen Southbound Trading**”), the Bank will distribute the dividends in RMB through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Bank will withhold income taxes at the rate of 10% on behalf of the investors and will report to the competent tax authorities for the withholding. For investors of Shenzhen Southbound Trading involved in the enjoying of tax treaty (arrangement) treatment, the withholding will be implemented in accordance with the *Notice of the State Administration of Taxation on Issues about the Administrative Measures for Non-residents to Enjoy the Treatments of Tax Treaties* (Notice of the State Administration of Taxation [2015] No. 60) (《國家稅務總局關於發佈〈非居民納稅人享受稅收協議待遇管理辦法〉的公告》(國家稅務總局公告2015年第60號)) and *Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets*” (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)).

The equity registration date and the distribution date of cash dividends and other arrangements for the investors of Shenzhen Southbound Trading will be the same as those for the A Shareholders of the Bank. Details of the payment of dividends to the A Shareholders of the Bank and related matters will be announced in due course.

For investors of the Shanghai Stock Exchange and the SZSE (including enterprises and individuals) investing in the H Shares of the Bank listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), China Securities Depository and Clearing Corporation Limited, as the nominee holders for the investors of the Southbound Trading, shall receive the cash dividends distributed by the Bank and distribute the cash dividends received from the Bank to the relevant investors of the Southbound Trading through their depository and clearing systems. The cash dividends for the investors of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements of the *Notice on the Tax Policies Related to the Pilot*

LETTER FROM THE BOARD

Program of the Shanghai-Hong Kong Stock Market Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the *Notice of the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Market Connect (Cai Shui [2016] No. 127)* (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong stock exchanges connectivity mechanism (the “**Shanghai-Hong Kong Stock Connect**”) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (the “**Shenzhen-Hong Kong Stock Connect**”), the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen- Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The equity registration date and the distribution date of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Bank.

The Bank held no liability in respect of any claims arising from any delay in, or inaccurate determination of the identity of the Shareholders or any disputes over the mechanism of withholding and payment.

If in any doubt as to the above arrangement, the relevant H Shareholders of the Bank may consult with their tax consultants on the advices of the tax implications in Mainland China, Hong Kong and other countries (regions) in respect of holding and disposing of the relevant H Shares of the Bank.

The Bank will make a separate announcement regarding the payment of the 2023 final dividend to A Shareholders and any related matters.

Closure of register of members and eligibility for final dividend distribution

The share register for H Shares of the Bank will be closed from Thursday, 6 June 2024 to Monday, 10 June 2024 (both days inclusive). In order to be entitled to the final dividend distribution, the H Shareholders of the Bank who have not registered the transfer documents are required to deposit the transfer documents together with relevant Share certificates at the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 5 June 2024. Shareholders whose names appear on the register of members of the Bank at the close of business on Monday, 10 June 2024 are entitled to the final dividend distribution.

LETTER FROM THE BOARD

The Board is set to distribute the final dividends of 2023 on or before Thursday, 20 June 2024. If there are any changes to the dividend payment date, an announcement will be published regarding such changes.

Resolution 5. Engagement of External Auditors for 2024 and their Remuneration

An ordinary resolution on the *Engagement of External Auditors for 2024 and their Remuneration of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

By comprehensively considering the factors such as KPMG's independence, professional competence, high ability to protect investors and good credit records, and by taking into account the business development of the Bank and the actual conditions of interbank accounting firms engaged, in order to ensure the quality and stability of audit work, the Bank proposed to continue to engage KPMG Huazhen LLP as the domestic auditor of the Bank for 2024 and KPMG as the overseas auditor of the Bank for 2024.

The annual audit fees of regular report for 2024 is RMB4.98 million, representing a decrease of RMB0.27 million compared with last year, of which: the audit fee for annual financial statements, the review fee for half-yearly financial statements and the fee for performing the agreed-upon procedures for the first and third quarter is RMB4.38 million; the internal control audit fee is RMB0.60 million. The above fees include taxes and other miscellaneous expenses such as travel, office and travel allowance, mainly determined based on audit work requirements and man-hours, etc. The decrease in fees in 2024 is mainly due to the improvement of audit work efficiency and the saved costs.

Resolution 6. Proposed Election of Directors of the Ninth Session of the Board of Directors

An ordinary resolution on the *Election of Directors of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

The term of Directors of the eighth session of the Board will expire in May 2024. According to the requirements of the laws and regulations such as the *Company Law of the People's Republic of China* and the *Guidelines on Corporate Governance of Commercial Banks* and the Articles of Association, the ninth session of the Board is proposed to consist of fourteen members, including five non-executive Directors, four executive Directors and five independent non-executive Directors. The list of candidates for Directors is as follows:

Candidates for non-executive Directors: Mr. Zhou Yunjie, Mr. Rosario Strano, Ms. Tan Lixia, Mr. Giamberto Giraldo and Mr. Deng Youcheng

Candidates for executive Directors: Mr. Jing Zailun, Mr. Wu Xianming, Ms. Chen Shuang and Mr. Liu Peng

Candidates for independent non-executive Directors: Mr. Xing Lecheng, Mr. Zhang Xu, Mr. Cheung Man Chor, Elton, Mr. Du Ning and Mr. Fan Xuejun

LETTER FROM THE BOARD

Save for the adjustment pursuant to the requirements of the relevant policies and regulations, the Directors of the ninth session of Board shall have a term of three years. The qualification of newly elected Directors shall be subject to the approval by the Qingdao Bureau of the National Financial Regulatory Administration, and the term of the newly elected Directors will take effect from the date on which such qualification is approved. The term of the re-appointed Directors will be with effect from the date on which such appointment is approved at the 2023 AGM.

For biographies and further information of the candidates for Directors of the ninth session of the Board, please refer to Appendix III to this circular.

Resolution 7. Proposed Election of Supervisors of the Ninth Session of the Board of Supervisors

An ordinary resolution on the *Election of the Ninth Session of the Board of Supervisors of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

The term of office of Supervisors of the eighth session of the Board of Supervisors will expire in May 2024. In accordance with the requirements of laws and regulations such as the *Company Law of the People's Republic of China*, the *Corporate Governance Standards for Banking and Insurance Institutions* and *Guidelines on the Duties of the Supervisory Board of Commercial Banks* and the Articles of Association, the ninth session of the Board of Supervisors shall consist of seven members, including one Shareholder Supervisor, three external Supervisors and three employee Supervisors. Employee Supervisors are elected democratically by the employee representative meeting of the Bank and the list of candidates for Shareholder Supervisor and external Supervisors is as follows:

Candidate for Shareholder Supervisor: Mr. He Liangjun

Candidates for external Supervisors: Mr. Hao Xianjing, Mr. Jiang Xinglu, Mr. Lu Kun

Save for the adjustment pursuant to the requirements of the relevant applicable policies and regulations, the Supervisors of the ninth session of the Board of Supervisors shall have a term of three years with effect from the date of approval at the 2023 AGM.

For biographies and further information of the candidates for Shareholder Supervisor and external Supervisors of the ninth session of the Board of Supervisors, please refer to Appendix IV to this circular.

Resolution 8. Estimated Amount of the Ordinary Related Party Transactions for 2024

An ordinary resolution on the *Estimated Amount of the Ordinary Related Party Transactions of Bank of Qingdao Co., Ltd. for 2024* will be proposed at the 2023 AGM for approval.

LETTER FROM THE BOARD

Pursuant to the relevant provisions of the CSRC, the SZSE and the Bank's related party transaction management system, after the Bank makes reasonable estimates of the ordinary related party transactions and fulfills the corresponding approval and disclosure procedures, a single related party transaction within the estimate scope of the year is exempted from re-approval and disclosure in accordance with the standards of the CSRC and the SZSE. However, major related party transactions that comply with the standards of the National Financial Regulatory Administration shall be submitted to the Related Party Transactions Control Committee of the Board for review and to the Board for approval on a case-by-case basis.

The Bank has estimated the ordinary related party transactions in 2024. For details, please refer to Appendix V to this circular.

Resolution 9. Special Report on Related Party Transactions for 2023

An ordinary resolution on the *Special Report on Related Party Transactions of Bank of Qingdao Co., Ltd. for 2023* will be proposed at the 2023 AGM for approval. Please refer to Appendix VI to this circular for the full text of the report.

Resolution 10. Capital Planning and Capital Adequacy Ratio Management Plan for 2024-2026

An ordinary resolution on *Capital Planning and Capital Adequacy Ratio Management Plan of Bank of Qingdao Co., Ltd. for 2024-2026* will be proposed at the 2023 AGM for approval. Please refer to Appendix VII to this circular for the full text of the plan.

Resolution 11. Proposed Amendments to the Articles of Association

A special resolution on the Amendments to the *Articles of Association of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

Shareholders are hereby requested to approve the amendments to the Articles of Association (details of which are set out in Appendix VIII to this circular) at the 2023 AGM, and authorize the Board of Directors to delegate authority to the Chairman to handle all matters related to the amendments to Articles of Association. Such matters include but are not limited to making proper and necessary amendments or adjustments to the Articles of Association according to the opinions of the regulatory authorities as well as reporting to the banking regulatory authorities for approval and industrial and commercial registration, filing and other matters, as required in making amendments to the Articles of Association.

The amendments to the Articles of Association considered and approved at the 2023 AGM will become effective subject to the approval by the banking regulatory authorities.

LETTER FROM THE BOARD

Resolution 12. Proposed Amendments to the Rules of Procedure of the Shareholders' General Meeting

A special resolution on the Amendments to the *Rules of Procedure of Shareholders' General Meeting of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

Shareholders are hereby requested to approve the amendments to the Rules of Procedure of the Shareholders' General Meeting (details of which are set out in Appendix IX to this circular) at the 2023 AGM, and authorize the Board of Directors to delegate authority to the Chairman to make proper and necessary amendments or adjustments to the amendments to the Rules of Procedure of the Shareholders' General Meeting according to the opinions of relevant regulatory authorities and the actual condition of the Bank.

The amended Rules of Procedure of the Shareholders' General Meeting shall become effective together with the amended Articles of Association after being approved by the Shareholders at the 2023 AGM.

Resolution 13. Proposed Amendments to the Rules of Procedure of the Board of Directors

A special resolution on the Amendments to the *Rules of Procedure of the Board of Directors of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

Shareholders are hereby requested to approve the amendments to the Rules of Procedure of the Board of Directors (details of which are set out in Appendix X to this circular) at the 2023 AGM, and authorize the Board of Directors to delegate authority to the Chairman to make proper and necessary amendments or adjustments to the amendments to the Rules of Procedure of the Board of Directors according to the opinions of relevant regulatory authorities and the actual condition of the Bank.

The amended Rules of Procedure of the Board of Directors shall become effective together with the amended Articles of Association after being approved by the Shareholders at the 2023 AGM.

Resolution 14. General Mandate for the Issue of Shares

A special resolution on the *Resolution on General Mandate for the Issue of Shares of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

With a view to fully leveraging on the financing advantages of the capital market, capitalizing on the financing channel in the market and promoting the flexibility of capital management of the Bank, the Board, with reference to market practices, proposes to the 2023 AGM for the approval of granting a general mandate to issue Shares to the Board and further delegation of authority by the Board in accordance with the requirements of relevant laws and regulations and the provisions of the Articles of Association.

LETTER FROM THE BOARD

(i) *Specific plan on the general mandate for the issue of Shares*

- (1) Pursuant to the condition listed in (2) below and under the premise of compliance with the laws and regulations, the Board shall be authorized to separately or concurrently issue, allocate or otherwise deal with A Shares and/or ordinary Share, Preference Share of H Shares and Convertible Bonds during the Relevant Period (as defined below).

“Relevant Period” means the period from the date of passing this resolution on authorization by 2023 AGM until the earliest of: (1) the conclusion of 2024 annual general meeting of the Bank; (2) the expiration of the 12-month period following the passing of this resolution at the 2023 AGM of the Bank; (3) the date on which the authorization referred to in this resolution is revoked or varied by a special resolution at any general meeting of the Bank.

- (2) The Board shall be authorized to issue, allocate or otherwise deal with the numbers of A Shares and/or ordinary Share, Preference Share of H Shares and Convertible Bonds (among which, the number of Preference Share shall be calculated based on the number of A Shares and/or ordinary Share of H Shares to be fully converted from Preference Share at the mandatory conversion price and the number of Convertible Bonds shall be calculated based on the number of A Shares and/or ordinary Share of H Shares to be fully converted from Convertible Bonds at the conversion price), and the respective amount shall not exceed 20% of the respective total number of issued class of Shares of A Shares and/or ordinary Share of H Shares of the Bank at the date on which this resolution is passed by the 2023 AGM.
- (3) The Board shall be authorized to: (1) formulate and implement the detailed issuing plan which includes, but without limitation, the class of Shares to be issued and allocated, the pricing method and/or the issue price (including a price range), the number of Shares to be issued, the target subscribers and the investment direction of the proceeds raised; to determine the timing of the issue, the issue period and the use of the proceeds raised, and to determine whether to offer to existing Shareholders; (2) deal with matters in relation to the increase in registered capital of the Bank so as to reflect the Shares of the Bank to be issued under the authorization granted under this resolution, and make any amendments to clauses in the Articles of Association in relation to issue of Shares and registered capital as it duly thinks necessary; (3) to consider and approve statutory documents submitted to relevant regulatory authorities related to the aforesaid issuance, and carry out relevant approval procedures under the requirements of regulatory authorities and the place where the Shares of the Bank are listed; (4) take any other necessary actions and proceed with other necessary procedures in order to implement the issue proposal and realize the increase in registered capital; (5) determine other matters related to the aforesaid issuance.

LETTER FROM THE BOARD

(ii) ***Relevant authorization***

To increase the efficiency in decision-making, reduce the internal approval procedures and seize market opportunities, in relation to dealing with the matters on issuing Shares under the general mandate, it is proposed to the 2023 AGM for approval to authorize the Board, and the Board further authorizes the authorized person(s) of the Board, to deal with matters regarding the general mandate to issue Shares during the Relevant Period. The above authorization to the authorized person by the Board shall be determined by the Board upon the exercise of the general mandate under this resolution.

Resolution 15. Proposed Amendments to the Plan on Authorisation to the Board Granted by the General Meeting

A special resolution on the Amendments to the *Plan on Authorisation to the Board Granted by the General Meeting of Bank of Qingdao Co., Ltd.* will be proposed at the 2023 AGM for approval.

In order to further improve the corporate governance mechanism, optimize the authorization management system, and effectively control risks, the Bank revised the current *Plan on Authorisation to the Board Granted by the General Meeting of Bank of Qingdao Co., Ltd.* in accordance with the relevant laws and regulations such as the *Company Law of the People's Republic of China* and the Articles of Association, and combined with its own strategic development and management needs. For amended plan, please refer to Appendix XI to this circular.

III. MATTERS TO BE REPORTED AT THE 2023 AGM

1. Evaluation Report on the Performance of Duties by the Board of Directors and Directors for 2023

The *Evaluation Report on the Performance of Duties by the Board of Directors and Directors of Bank of Qingdao Co., Ltd. for 2023* will be submitted at the 2023 AGM for review by Shareholders, but not required for their approval. For full text of the report, please refer to Appendix XII to this circular.

2. Evaluation Report on the Performance of Duties by the Supervisors for 2023

The *Evaluation Report on the Performance of Duties by the Supervisors of Bank of Qingdao Co., Ltd. for 2023* will be submitted at the 2023 AGM for review by Shareholders, but not required for their approval. For full text of the report, please refer to Appendix XIII to this circular.

LETTER FROM THE BOARD

3. Evaluation Report on Performance of Duties of the Senior Management and Senior Executives for 2023

The *Evaluation Report on the Performance of Duties of the Senior Management and Senior Executives of Bank of Qingdao Co., Ltd. for 2023* will be submitted at the 2023 AGM for review by Shareholders, but not required for their approval. For full text of the report, please refer to Appendix XIV to this circular.

4. Performance Report of the Independent Non-executive Directors for 2023

The *Performance Report of the Independent Non-executive Directors of Bank of Qingdao Co., Ltd. for 2023* will be proposed at the 2023 AGM for review by Shareholders, but not required for their approval. For full text of the report, please refer to Appendix XV to this circular.

5. Evaluation Report of the Major Shareholders for 2023

The *Evaluation Report of the Major Shareholders of Bank of Qingdao Co., Ltd. for 2023* will be proposed at the 2023 AGM for review by Shareholders, but not required for their approval. For full text of the report, please refer to Appendix XVI to this circular.

IV. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Bank. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

V. THE 2023 AGM

The Bank intends to convene the 2023 AGM at No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province, the PRC, at 9:00 a.m. on Friday, 31 May 2024 to consider and, if thought fit, to pass the resolutions as set out in the notice of the 2023 AGM. Notice and form of proxy of the 2023 AGM dated 10 May 2024 have been published in accordance with the Hong Kong Listing Rules. The notice of the 2023 AGM is set out in this circular.

Completion and return of the form(s) of proxy(ies) will not preclude you from attending and voting in person at the 2023 AGM or at any adjournment thereof.

Closure of Register of Members and Eligibility to Attend and Vote at the 2023 AGM

The share register of members of the Bank will be closed from Monday, 27 May 2024 to Friday, 31 May 2024 (both days inclusive). In order to be eligible to attend and vote at the 2023 AGM, H Shareholders of the Bank must lodge the Share transfer documents accompanied by the relevant share certificates and other appropriate documents with the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no later than 4:30 p.m. on Friday, 24 May 2024. Shareholders whose names appear in the register of members of the Bank on Monday, 27 May 2024, will be eligible to attend and vote at the 2023 AGM.

VI. METHODS OF VOTING AT THE 2023 AGM

Pursuant to the requirements of Rule 13.39(4) of the Hong Kong Listing Rules, voting by the Shareholders at the 2023 AGM shall be taken by the way of poll.

To the best knowledge of the Bank, Haier Group Corporation and its related parties, Intesa Sanpaolo S.p.A. and Qingdao Conson Development (Group) Co., Ltd. and its related parties, were deemed to have a material interest in the *Resolution on the Estimated Amount of the Ordinary Related Party Transactions of Bank of Qingdao Co., Ltd. for 2024*, therefore, they should abstain from voting on the resolution. Save as disclosed above, no other Shareholder or its associate is deemed to have a material interest in any of the resolutions at the 2023 AGM, and no other Shareholder is required to abstain from voting on any resolutions.

Please be advised that pursuant to the Article 60 of the Articles of Association, where a Shareholder pledges 50% or more of his/her equity interests in the Bank, the voting rights of such Shareholder at the 2023 AGM shall be subject to restrictions.

LETTER FROM THE BOARD

VII. RECOMMENDATIONS

The Board (including the independent non-executive Directors) considers that the resolutions to be proposed at the 2023 AGM are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all resolutions to be proposed at the 2023 AGM.

By order of the Board
Bank of Qingdao Co., Ltd.*
Jing Zailun
Chairman

Qingdao, Shandong, the PRC
10 May 2024

* *Bank of Qingdao 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 out banking and/or deposit-taking business in Hong Kong.*

**WORK REPORT OF THE BOARD OF DIRECTORS OF
BANK OF QINGDAO CO., LTD. FOR 2023**

To Shareholders:

The year 2023 was the first year to fully implement the spirit of the 20th National Congress of the Communist Party of China (CPC), a critical year for the in-depth implementation of the “14th Five-Year Plan”, and the starting year for the Bank of Qingdao to implement the new three-year strategic plan and promote high-quality development. In the face of the complex and volatile domestic and international economic and financial situation, the Board of Directors of the Bank adhered to the political, people-oriented and professional nature of financial work, stuck to its strategic positioning, continued to deepen the construction of corporate governance, and promoted the high-quality development of the Bank to a new level.

In 2023, the Bank earnestly implemented the major policies of the Central Government, the Shandong Provincial Party Committee and Provincial Government and the Qingdao Municipal Party Committee and Municipal Government, and adhered to the operation guiding ideology of “consolidating strengths and making up for weaknesses, servicing entities, managing risks and standardizing management”, and built up the bottom line of risk compliance, thus steadily improved the operating efficiency. As of the end of 2023, the total assets of the Bank (in specifications of consolidation, same hereinafter) amounted to RMB607.985 billion, an increase of 14.80% over the end of last year, total deposits amounted to RMB386.062 billion, an increase of 13.10% over the end of last year; total loans amounted to RMB300.090 billion, an increase of 11.55% over the end of last year; the operating income of the Bank reached RMB12.472 billion, an increase of 7.11% over the last year; net profit attributable to the parent company reached RMB3.549 billion, an increase of 15.11% over the last year; weighted average return on net assets of 10.71%, an increase of 1.76 percentage points over the last year; non-performing loan ratio of 1.18%, a decrease of 0.03 percentage point over the end of last year; and net assets per share attributable to ordinary shareholders of the parent company of RMB5.61, an increase of RMB0.56 over the end of last year.

In 2023, the Bank’s market recognition and brand influence continued to grow, and it was listed in the Top “500 Most Valuable Brands in China” and “Asia’s 500 Most Influential Brands lists” for seven times, and won the “Five Star Diamond Award” for eight times. The Bank has been honored with the “2023 Best Practice Cases of Board of Directors of Listed Companies” by China Association of Listed Companies, and ranked first in the “gyroscopic” evaluation of the stable development capability of commercial banks by the China Association of Banks for three consecutive years in the category of corporate governance; and it was honored with the “Paulson Award”, which is the most influential international award in the field of sustainable development.

I. SUMMARY OF THE MAIN WORK OF THE BOARD OF DIRECTORS IN 2023**(I) Fulfilled our mission and served the real economy**

In 2023, the Board of Directors focused on its main responsibilities, increased its support for the real economy, enhanced its high-quality financial services for major strategies, key areas and weak links, and provided full support for the stabilization of the economy and the high-quality development of the economy.

Under the strategic leadership of the Board of Directors, the Bank has continued to plough deeper into the fields of manufacturing, public utilities, green finance, and health, increasing credit investment in small and medium-sized enterprises, manufacturing, public utilities, green and low-carbon industries, initially formed an industry-specific service model, and created a sound scene and innovative products for the green industry, made it the only financial institution in Shandong Province to realize the Bank's four types of innovative business in the green finance sector. Focusing on blue and green key industries, we have built a customer authentication and management system, constructed a differentiated approval model, and formed a comprehensive service plan that can be promoted and copied, so as to realize the green and blue customer groups and create the "Green, invaluable assets" brand. It has set up a leading group for rural revitalization, optimized and innovated a series of agriculture-related specialty products such as "Inclusive Express Loan" and launched "One County, One Product" special activities; innovated more than 20 inclusive products and launched the digital product "Inclusive E-financial", formed a system of inclusive financing products that cover a wide range of industries and scenarios system. As of the end of the year, the balance of inclusive loans amounted to RMB33.846 billion, representing an increase of 24.78% over the previous year, while the balance of green loans amounted to RMB26.135 billion, representing an increase of 24.90% over the previous year.

(II) Maintained strategic stability, started a new journey of high-quality development

2023 was the opening year of the Bank's 2023-2025 strategic plan, the Bank has continuously strengthened its strategic leadership, promoted the implementation of the plan, and made concerted progress in various businesses around the three major objectives of "prioritizing quality and efficiency, distinctive features and flexible mechanism", and the results of the implementation of the strategy have begun to show.

The Bank achieved faster growth in scale and significant improvement in profitability, with total assets, balance of deposits and loans, operating income, and net profit attributable to the parent company breaking through compared with the previous year. The Bank strengthened detailed management, focused on cost reduction and efficiency enhancement, and strengthened the management of capital costs by reducing the average daily over-provisioning and improving the efficiency of capital utilization. The Bank has also refined its customer stratification, built a customer profile database and enriched its product shelves. The Loan Business has focused on key products, promoted the rapid development of its business with flexible and quick universal products, and accelerated the online process by digital means,

thereby significantly improved its business efficiency. The lightweight transformation of “one bank, one policy” has been fully rolled out, and we have continued to optimize the allocation of resources in the hall, enhance the team’s capability, and build up the process mechanism; we have actively expanded the offshore financial and commodity clearing business scene, seized the opportunities of large capital clearing business such as issuance of bonds and repayment of foreign debts by enterprises, and launched the online clearing brand of “Qingyin Inclusive” to increase the settlement volume of our international business; and leveraged on our advantage of multiple licenses to achieve breakthroughs in financial markets, custody, investment banking, finance, financing and leasing, and the integrated operation level of the Group. In 2023, the Bank completed the organizational restructuring of the head office, further clarified departmental positions and responsibilities, broke down departmental synergies and enhanced the effectiveness of joint operations.

(III) Adhered to the principle of integrity and innovation, made every effort to enhance the effectiveness of corporate governance

Firstly, the Bank has made innovations and improved the top-level design of corporate governance. As policies, regulations and regulatory requirements continued to evolve, the Bank was constantly aware of changes in laws and regulations as well as regulatory developments, and promptly internalized external regulations. In 2023, the Bank completed the reversion of amendments to more than 10 corporate governance systems, including the Articles of Association, Rules of Procedure for the Three Committees, and Rules of Procedure for the Specialized Committee of the Board of Directors and the Supervisory Committee of the Board of Directors, etc., to scientifically define and dynamically improve the boundaries of the rights and responsibilities of each governance entity, consolidate the institutional foundation, and ensure the effectiveness and compliance of corporate governance.

Secondly, the Board of Directors optimized its operation and enhanced the quality and efficiency of scientific decision-making. In 2023, the Board of Directors closely focused on its core functions of “setting strategies, making decisions and preventing risks”, adhered to the effective integration of party building and corporate governance, strengthened its own construction, and continued to improve its operational efficiency and decision-making ability. During the year, the Board of Directors held a total of 19 meetings, including 6 on-site meetings and 13 voting meetings, at which resolutions were made on 77 major issues, including the nomination of directors, the work report of the President, the financial final report, the consolidated business plan, profit distribution, etc. The Board of Directors also received or reviewed 63 reports, including various types of risk management reports, internal and external audit reports, management proposals on external audit and rectification reports, etc. The Board of Directors also made decisions on major issues prudently, and earnestly safeguarded the interests of the Board of Directors.

Thirdly, a front-loaded gatekeeper gives full play to the decision-making support role of the specialized committees. In 2023, the specialized committees of the Board of Directors focused on the strategic objectives of the Bank and their respective functions, conducted prior discussions on important issues of the Board of Directors, conducted prior research and

discussion, emphasized the professionalism of the specialized committees, and gave full play to the role of the specialized committees as advisors and decision makers, and formulated the annual work plan in advance at the beginning of 2023 to ensure that the work was carried out smoothly and in an orderly manner. In 2023, the Bank held 48 meetings of specialized committees, deliberated on 74 resolutions, and heard or reviewed 59 reports.

Fourthly, diligence and due diligence to ensure that directors perform their duties in a compliant and efficient manner. In 2023, the directors of the Bank continued to improve their initiative, enthusiasm and effectiveness in performing their duties by actively participating in a number of trainings organized by regulatory agencies and self-regulatory organizations to enhance their professional competence and deepen their knowledge and understanding of corporate governance, and by regularly reviewing the Bank's "Directors and Supervisors Newsletters" on a monthly basis to keep track of the Bank's recent development. The independent directors actively practiced the mechanism of coming to the Bank for official business, participated in departmental meetings for more than ten times, and went deep into the Shouguang Sub-branch, the Laoshan Sub-branch and other branches to carry out grass-roots research and study, and conducted thematic research and study on the inclusive financial services and credit card business, and then formed a thematic research report which was implemented and enhanced by the senior management one by one, thus giving full play to the important role of the independent directors in terms of their professionalism and independence.

(IV) Built up risk control defenses to consolidate the foundation of steady development

In 2023, the Board of Directors adhered to the concept of prudent and steady risk management, coordinated the prevention and control of traditional and non-traditional risks, continued to deepen risk management, promoted the enhancement of asset quality, and strictly adhered to the bottom line of not incurring any systemic risk.

Firstly, the construction of the risk management mechanism was promoted in depth. In 2023, the annual business operation risk appetite plan was carefully formulated, and the risk constraint index system was determined on the basis of risk and benefit; the reform of the working mechanism of the risk management committee was actively promoted, and the major risks were controlled through the reshaping of the meeting process, and the upgrading of the risk management committee into a comprehensive risk management committee. A standing comprehensive risk monitoring mechanism has been established to continuously monitor all kinds of important risks and strengthen the monitoring and analysis of the implementation of all kinds of risk preferences; it has realized the successful landing of the new regulations on impairment, classification and capital, revised the system flow of the new regulations on classification, and completed the renovation of the system for the new regulations.

Secondly, the Bank focused on the prevention and control of various key risks. The Board of Directors regularly reviewed various risk reports on credit risk, market risk, liquidity risk, compliance risk, etc., prudently assessed the Bank's overall risk management status and the effectiveness of its work measures, and put forward work requirements and guiding recommendations on risk management priorities. In 2023, the Bank did not experience any

significant risk events, and all major risk management indicators were stable and improving, including the non-performing loan ratio of 1.18%, a decrease of 0.03 percentage point from the end of the previous year, and the non-performing plus loans of concern ratio of 1.72%, a decrease of 0.31 percentage point from the end of the previous year, with a significant enhancement of the risk resilience.

(V) Firmly adhered to the concept of compliance and deepened internal control management and audit supervision

Optimizing the internal control management system and taking forward the key work of internal control management. In 2023, the Bank launched a comprehensive reform of the internal control system and management enhancement, strengthened the top-level design, intensified the Group's control efforts, issued a plan for strengthening the internal control system, initiated the construction of the "three lines of defense" for internal control, and continuously improved the standard of internal control management. The Board of Directors has guided the Bank to carry out internal control self-assessment in accordance with domestic and international regulatory requirements, regularly reviewed the internal control assessment reports, and promoted the Bank to continuously improve its internal control mechanism. The Board of Directors has also attached great importance to the issues raised by the regulators on the Bank, and reviewed the financial regulatory notifications and rectification reports, focusing on the progress of rectification of issues and assessment of the effectiveness of the rectification work, in order to promote the optimization of the internal control mechanism and enhance the effectiveness of the internal control system.

Strengthening internal and external audit supervision and stimulating the effect of joint supervision of internal and external audits. The Board of Directors paid close attention to the status of internal and external audits, attached great importance to the effectiveness of internal and external audit supervision, listened attentively to the reports of internal and external audits and various special audit reports and rectification reports, supported the external auditing institutions in issuing audit and management recommendations, and continued to follow up on the Bank's improvement and enhancement. The Board of Directors guided the internal audit work, promoted the improvement of the Group's audit supervision and management mechanism and the rectification of audit findings, strengthened the supervisory responsibilities of the "three lines of defense", and made efforts to build a vertically unified and comprehensively covered audit and supervision system with head office auditing as the main focus and branch auditing as a supplement, so as to realize the simultaneous enhancement of the quality and efficiency of audit supervision.

(VI) Strengthened the support of science and technology and effectively empowered business management enhancement

The Board of Directors adhered to the technology-driven engine, took financial technology as the core driving force to empower business development, continued to strengthen key areas, and promotes digital transformation in depth.

In 2023, the Bank conducted several rounds of seminars and in-depth research to formulate IT strategic planning, clarifying the direction and implementation routes; compiled a data strategy plan to establish a blueprint for data management; and explored the value of data in depth to provide data analysis support for business marketing. At the same time, the Bank continued to deepen the application of digitalisation to effectively realise technology-enabled business, create digital operation and marketing tools, iteratively optimise the functions of the retail “Digital Butler” and improve the public intelligent marketing management platform; enrich digital services and online products, and release Mobile Banking 8.0 to provide accurate and companionable services. The “Seven Colours of Light” product line was upgraded iteratively, and new products such as Smart Treasury and Qingyin Huitong were launched; micro-credit products such as DDT Business Loan, Netcommerce Business Loan and YangGuang Insurance Business Loan were introduced; and online credit card products such as “Credit Insurance Loan” and “Whale Luck Card” were put on line. The Bank improved the digital scene ecosystem, built our own ecosystem through the Happy Neighbourhood digital community, created a treasury management platform to provide one-stop fund management services, and enriched the docking with external online supply chain and financial ecosystem platforms, so as to build a financial digital ecosystem together.

(VII) Actively delivered value and carried out high-quality information disclosure and investor relations activities

Adhered to strict compliance, high standards to fulfill the disclosure obligations. The Board of Directors promoted the legal compliance of the Bank’s information disclosure. In terms of institutional safeguards, the Bank established a relatively complete information disclosure management system and recently revised its information disclosure system in accordance with the revised external regulations. In terms of institutional implementation, the Bank conducted a comprehensive sorting and updating of the regulations related to the preparation and disclosure of periodic reports in 2023, and implemented the content of the periodic reports on an article-by-article basis. In terms of its daily management, the Bank summarised its experience in the preparation, release and management of temporary announcements in a timely manner, forming a systematic and process-oriented working model to ensure that the disclosure of temporary announcements was carried out in a sound and efficient manner. In 2023, the Bank issued a total of 250 periodic reports and temporary announcements, among which, 125 announcements were released on the SZSE and the Stock Exchange, respectively. There were no enquiries from regulators or penalties imposed for information disclosure compliance issues. The Bank has been granted the highest rating of “A” in the SZSE’s information disclosure assessment for three consecutive years.

Efficiently and comprehensively maintained investor relations in multiple dimensions. The Bank continued to improve the standard of investor relations governance, and implemented investor relations management with “assurance, quality and efficiency, content and warmth” to build a virtuous cycle of mutual promotion between corporate quality and investor relations management, and to establish a good market image. In 2023, the Bank convened the 2022 annual performance briefing through a combination of “online + offline” methods, which was held simultaneously for both A-share and H-share holders through on-site meetings,

teleconferences, live webcasts and other channels, and was held on a larger scale with a wider audience, and attracted securities analysts and institutional investors from a number of domestic and overseas well-known institutions; the Bank held this event 13 occasions for various types of investor communication and exchange activities and carried out in-depth communications with over 100 securities analysts and investors on their concerns. With its excellent practice in the field of investor relations management, the Bank was awarded “2023 Tianji Award for Harmonious Investor Relations” of Securities Times “Outstanding IR Company” of Panorama Website.

(VIII) Focused on social responsibility and established a good social image

In 2023, the Board of Directors continued to encourage the Bank to actively fulfil its social responsibilities, adhered to the development concept of giving equal weight to both social and economic responsibilities, thoroughly implemented the national macro-control policies, closely follow the major strategic deployment of the Central Government, the provinces and the municipalities, and strengthened its financial support for the revitalisation of villages, the green industry, people’s livelihood and inclusive industries, so as to demonstrate the responsibility of a commercial bank. The Bank increased product and service innovation, created a new model of technological financial services, and enhanced the efficient, convenient and safe service experience. The Bank actively participated in social welfare by sinking financial resources into rural areas and communities, actively built the “Happy Neighbourhood” party building community service brand, launched charitable fund-raising activities for children in distress, and subscribed to vegetables for love, etc., and was awarded the 8th “Weichen Star of Public Welfare” (微塵公益之星) and “Qingdao Red Cross Fraternity Gold Award (青島紅十字博愛金獎)”.

The Board of Directors actively fulfilled its strategic decision-making and leadership functions, attached great importance to strengthening its ESG management responsibilities, paid attention to important matters such as green credit, consumer rights protection and data governance, etc., and regularly examined or reviewed social responsibility reports, reports on the development of green credit, reports on the protection of the rights and interests of financial consumers, and reports on work of data governance, etc., to continually improve the ESG governance framework and promote the Bank’s ESG governance standards.

II. PROSPECTS FOR THE KEY WORK OF THE BOARD OF DIRECTORS IN 2024

The year 2024 is a critical year of the “14th Five-Year Plan”, and is also a year to carry forward the new three-year strategic plan of Bank of Qingdao. The Board of Directors of the Bank will be guided by the thought of Socialism with Chinese Characteristics in the New Era of Xi Jinping, fully implement the spirit of the Central Financial Work Conference, the Central Economic Work Conference and the Provincial and Municipal Economic Work Conferences, and focus on the main line of high-quality development, adhere to the general tone of seeking progress while maintaining stability, and base on improving quality and efficiency to fully realise the Bank’s development to climb and leap forward again.

(I) Deepening strategic execution and promoting the effective implementation of strategic planning

The Board of Directors will continue to play the role of strategic leadership and scientific decision-making, deepen its understanding of financial and economic laws, grasp new trends in future development, support and supervise the senior management in the implementation of substantive strategic planning and follow-up, continuously optimise various working mechanisms, rationally dismantle strategic tasks, implement hierarchical management of strategic tasks, and optimise the mechanism for dynamic adjustment of strategic tasks to ensure that the various strategic tasks are carried out vigorously and soundly.

(II) Strengthening the foundation and enhancing capacity and comprehensively promoting refined management

The Board of Directors will lead the Bank to adhere to the principles of management, foundation building, risk control, revenue enhancement, cost reduction, structure adjustment, quality enhancement, innovation, capability enhancement and feature creation; continue to improve the level of management refinement, focus on management enhancement, promote the construction of a green bank, and fully implement the requirements of cost reduction and efficiency improvement, revenue growth and expenditure saving, so as to realise the requirements of cost-effective and meticulous calculation, business cultivation, management, team carving, product research and development, and customer expansion and maintenance.

(III) Insisting on multiple measures to help corporate governance achieve further successes

The Board of Directors of the Bank always commit to excellence in corporate governance, and continue to improve the operational mechanism of corporate governance under the general meeting of shareholders, the Board of Directors, the Board of Supervisors, in particular, to enhance the capacity building of the Board of Directors and its specialised committees, to optimise the core functions of the Board of Directors and its specialised committees, and to improve the mechanism for the implementation of the decisions made by the Board of Directors. The Bank steadily promote the general election of the Board of Directors, and upon the expiry of terms of the eighth session of the Board of Directors of the Bank in 2024, the Board of Directors will carry out the general election of the Board of Directors in an orderly manner in strict compliance with laws, regulations and supervisory requirements, so as to complete the transition of the Board of Directors in a smooth manner. The Bank will do a good job in the management of shareholders' affairs, implement shareholders' undertakings in a standardized manner, further optimize the construction of the connected transaction system and improve the connected transaction management mechanism.

(IV) Strengthening the cornerstone of risk control and collaborating to promote the steady development of the business

In 2024, the Board of Directors will continue to attach great importance to the prevention of risks in key areas, adhere to the bottom line of compliance, improve the construction of the risk management system, push forward the implementation of the new system as well as the optimisation and improvement of the existing system, and strengthen the system's ability to protect the system; push forward the innovation of financial technology with the quantification of risks at its core, improve the means of risk management, establish a comprehensive risk monitoring system, make use of financial technology to enrich the business scene and improve the support system, and improve the support system and risk management capability, so as to help our business to be stable and sustainable.

(V) Emphasizing the importance of both governance and application and giving full play to the digital value

In 2024, the Bank will promote the digital transformation strategy in depth, strengthen the level of technology empowerment, build a refined IT management system, enhance the construction of "business + technology" flexible teams, improve the quality of demand and business understanding, and strengthen the integration of industry and technology in a "bidirectional approach"; strengthen network protection capabilities and IT risk management. The Bank will steadily push forward the construction of the new core system; deeply explore the value of data, explore the combined application of internal and external data, enrich the customer image system and innovate data products, and strengthen the data support to the frontline and enhance the data application capability.

Please consider.

**WORK REPORT OF THE BOARD OF SUPERVISORS OF
BANK OF QINGDAO CO., LTD. FOR 2023**

To Shareholders:

In 2023, the Board of Supervisors of the Bank, under the careful guidance of the government regulatory authorities, the strong leadership of the Party Committee of the Head Office of the Bank, and the support and cooperation of all shareholders, the Board of Directors and the senior management, strictly complied with the requirements of the regulation of listed companies, carried out its supervisory work in an orderly manner, and endeavored to enhance the effectiveness of the supervisory function, and actively protected the legitimate rights and interests of shareholders, employees and other stakeholders. The Bank has actively safeguarded the legitimate rights and interests of shareholders, employees and other stakeholders. In accordance with the requirements of regulatory laws and regulations and the Bank's Articles of Association, the main work of the Board of Supervisors in 2023 and the work plan for 2024 are reported below:

I. MAIN WORK OF THE BOARD OF SUPERVISORS IN 2023**(I) Enhanced the effectiveness of corporate governance through practical and detailed supervision of duty performance**

Firstly, the Board of Supervisors organized and convened the meetings of the Board of Supervisors in a regular manner to continuously improve the quality and efficiency of the meetings. In 2023, the Board of Supervisors convened the meetings of the Board of Supervisors and various special committees in accordance with the Bank's Articles of Association and the Rules of Procedure, and reasonably arranged the meeting plans and programs in accordance with the law and regulations. Throughout the year, the Board of Supervisors held a total of 10 meetings, of which 2 were on-site meetings and 8 were correspondence voting meetings, at which 23 proposals were considered and approved, such as the President's working report, regular report, report on the evaluation of the performance of the Directors, supervisors and senior management, and 59 reports were received or reviewed, such as various types of risk management reports, internal audit reports, financial supervisory notifications and rectification reports, etc. Throughout the year, the Board of Supervisors held a total of 10 meetings of specialized committees, including 7 meetings of the Supervisory Committee and 3 meetings of the Nomination and Evaluation Committee, at which a total of 20 proposals were deliberated, and 55 reports were received or reviewed. All members of the Board of Supervisors discussed the proposals adequately, gave objective and prudent opinions and proposals, and exercised their voting rights independently, and the attendance rate of the meetings of the Supervisory Board and the meetings of the specialized committees were 100% throughout the year.

Secondly, we closely supervised the day-to-day performance of our duties and promoted the Bank's compliance operation. During the year, Supervisors attended 1 annual shareholders' meeting and 2 extraordinary shareholders' meetings, participated in the process of scrutinizing the proposals of the shareholders' meetings, and reported on their work to the shareholders' meetings; attended 8 on-site meetings of the Board of Directors and meetings of the

specialized committees of the Board of Directors, and reviewed the documents of 13 meetings of the Board of Directors for communication and voting, and supervised the procedures of convening the meetings, the matters to be considered, the procedures of voting, and the directors' fulfillment of their duties according to the law; the employee Supervisors listened extensively to the opinions and suggestions of the staff, took the initiative to accept the supervision of the staff, reported regularly on the performance of their duties to the Staff Representative Assembly in accordance with the regulations, actively participated in the important operation and management meetings of the Party Committee and the Executive Committee, grasped the work dynamics of the operation and management in a timely and comprehensive manner, and strengthened the supervision over the decision-making and execution of the "Three Importance and One Large" and the day-to-day operation and management matters.

Thirdly, it is to improve and perfect the system and solidify the foundation for supervisors to perform their duties. The Board of Supervisors insisted on the system first, and revised and improved three systems during the year, namely, *Rules of Procedure of the Board of Supervisors of Bank of Qingdao Co., Ltd.*, *Rules of Work of the Supervisory Committee of the Board of Supervisors of Bank of Qingdao Co., Ltd.* and *Rules of Work of the Nomination and Evaluation Committee of the Board of Supervisors of Bank of Qingdao Co., Ltd.*. By strengthening the system, the supervisory principles, supervisory contents and supervisory methods are detailed into the management requirements to ensure that the Board of Supervisors' performance of duties is governed by rules and regulations and is in compliance with the law.

Fourthly, the annual evaluation of the performance of duties was done in an objective and fair manner. The Board of Supervisors followed the principles of compliance with laws and regulations, pragmatism, science and effectiveness, and formulated a work plan for performance evaluation, and carried out performance evaluation in an orderly manner. In the process of performance evaluation, the Board of Supervisors emphasized the communication and coordination with all parties, on the one hand, carefully examined all performance files, fully and deeply grasped the performance of duties, and objectively and fairly formed the performance evaluation results by the combination of "qualitative + quantitative" evaluation and "self-assessment + the Board of Supervisor's evaluation". The Board of Supervisors will make recommendations to the Board of Directors and Directors, senior management and senior management staff and Supervisors through the evaluation of the performance of duties, so as to motivate each corporate governance entity to perform its duties more diligently. The annual performance evaluation was reported to the supervisory authorities and the shareholders' meeting as required.

(II) Oversaw the implementation of the strategic plan

Firstly, it focused on the promotion of strategy. The Board of Supervisors has continued to strengthen its supervision over the implementation process of the strategic plan and actively participated in the PMO meetings organized by the management to keep abreast of the situation, focused on the progress of the new three-year strategic plan, the operating strategies

of the senior management and the effectiveness of the management, so as to ensure that the Bank's business objectives were in line with the main decisions of the Central Government, economic and financial development policies and regulatory requirements, as well as the actual development of the City Bank itself.

Secondly, strategic planning assessment was conducted regularly. The Board of Supervisors has organized the evaluation of the Bank's strategic planning to assess the scientificity, rationality and soundness of the Bank's development strategy and formed an evaluation report, which concludes that the Bank's strategic risks were stable and controllable, and that the main operating indicators were in line with the expectations, thus facilitating and safeguarding the realization of the Bank's strategic planning objectives.

(III) Focused on the implementation of financial supervision and effectively protected shareholders' interests

Firstly, the regular reports were carefully reviewed. The Board of Supervisors considered the quarterly, semi-annual and annual reports, supervised the preparation and audit procedures of the periodic reports and the authenticity and completeness of the report contents, and considered that the preparation and audit procedures of periodic reports were in line with the law, and the contents reflected the actual situation of the Bank in a true, accurate and complete way.

Secondly, important financial matters were supervised. The Board of Supervisors considered the annual profit distribution proposal, expressed opinions on the compliance, accuracy and completeness of the profit distribution plan, made supervisory recommendations on the business plan, and supervised the compliance and fairness of the hiring, dismissal and renewal of the external auditing organization, as well as the independence and effectiveness of the external auditing work.

Thirdly, the Board of Supervisors regularly understood the financial operation and timely tracked changes in financial indicators. The Board of Supervisors reviewed the financial indicators such as deposits and loans, asset quality and capital adequacy on a quarterly basis to keep abreast of the operation and development status in a timely manner. The financial reports were reviewed on a semi-annual basis, focusing on the implementation of the financial budget.

(IV) Deepened risk internal control and supervision to ensure the steady development of compliance

Firstly, the Board of Supervisors continued to strengthen the supervision of the Board of Directors and senior management in the fulfillment of key risk areas such as credit risk, liquidity risk, market risk, operational risk, compliance risk, reputation risk, money laundering and terrorist financing risk, etc. In accordance with the supervisory requirements, we have reviewed the report on the implementation of the Expected Credit Loss Law in a timely manner, and have put forward constructive supervisory proposals through the study and analysis of the Proposal file.

Secondly, the Board of Supervisors continuously paid attention to the construction of compliance management mechanism, mainly focused on the implementation of internal control in key areas such as case prevention, terrorist financing and anti-money laundering, employee abnormal behavior management, and supervised the effectiveness of internal control mechanism.

Thirdly, the Board of Supervisors continued to follow up on the regulatory requirements and actively promoted the implementation of rectification and improvement measures. The Board of Supervisors regularly listened to reports on the rectification of supervisory opinions, reviewed special audit reports and rectification reports, etc., accurately grasped the supervisory guidance, and conducted in-depth studies on rectification programs. The Board of Supervisors analyzed and implemented the supervisory opinions and recommendations in a comprehensive manner, and took the shortest time to fill in the gaps to further strengthen the supervision and compliance operation of the Board of Supervisors. In addition, the Board of Supervisors continuously monitored and immediately tracked the management's rectification of key issues, forming a "supervision-improvement-feedback-improvement" closed loop, which promoted the continuous improvement of the Bank's compliance operation level.

(V) Continuously innovated and improved the supervisory mechanism to enhance the effectiveness of supervision

Firstly, the Bank has improved the management of supervisors' performance of duties and carried out in-depth investigations and research at the grassroots level. In 2023, following the dissemination of the opinions of the supervisory authorities, the Bank further raised the requirements for the performance of duties of external supervisors and provided on-site office premises for external supervisors, and the employee supervisors and external supervisors visited the head office management departments and branches more than 30 times during the year to grasp the situation of the institutions in terms of the Bank's implementation of its strategic decisions and the requirements of risk compliance, and to understand the difficulties, problems and deficiencies in the operation and management of grassroots institutions, as well as to give advice and suggestions to the grassroots institutions.

Secondly, the Board of Supervisors of the Group has strengthened its ability to perform its duties. 12 joint meetings of the chairman of Board of Supervisors meetings were held in 2023, through which the Board of Supervisors timely grasped the development of the subsidiaries, and continued to strengthen the supervision of the subsidiaries in the areas of development strategy, compliance management, risk control, and financial management, etc., which effectively extended the supervisory and management chain, formed the synergy between the upper and lower levels of management and supervision, and further enhanced the effectiveness of the overall supervision of the operation and management.

Thirdly, the Board of Supervisors has enriched the means of supervisory performance by issuing "reminder letters" from the Board of Supervisors. The Board of Supervisors continues to standardise the vehicle and procedures for expressing opinions, and adopts a "reminder letter" for issues that need to be brought to the attention of the Board of Directors and senior

management, which is sent to the Board of Directors and senior management through the internal process, thus further strengthening the seriousness and authority of the expression and transmission of supervisory opinions; at the same time, the Board of Supervisors instructs its offices to actively follow up the implementation of supervisory opinions and continuously track the progress of rectification by responsible departments.

Fourthly, it carried out special research and continuously improved the quality and effectiveness of the research. During the year, the Board of Supervisors organised and convened special research on the fluctuation of the Bank's public deposits, fully analysed the existing problems, and put forward systematic and targeted opinions and recommendations. The special research report was highly valued by the Board of Directors and the senior management, and the relevant opinions and suggestions were carefully studied and implemented, which played a positive role in the Bank's business development.

(VI) Strengthened self-construction to continuously improve performance ability

In 2023, the Board of Supervisors aimed at enhancing the professional competence of supervisors, and organised various trainings for supervisors around the latest regulatory requirements and market concerns, including the training on "Interpretation of Policies on the Reform of the Registration System for Listed Companies" organised by Qingdao Securities and Regulatory Commission, "Supervisory Performance of Listed Companies: Regulations, Cases and Recommendations" and "Development, Reform and Prospect of the Independent Director System for Listed Companies" organised by China Association of Listed Companies, etc. Through training and learning, the supervisory characteristics of supervisors were continuously strengthened, so as to build up supervisors' normative practice, enhance their performance of duties, and to circumvent the risk of mistakes.

II. INDEPENDENT OPINIONS ISSUED BY THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

(I) Legal operation

In 2023, the Bank maintained law-abiding operation and decision-making procedures were in compliance with the applicable laws, regulations and the Articles of Association. There was no breach of the applicable laws and regulations and the Articles of Association or any act which would harm the interests of the Bank and its shareholders by any Directors or Senior Management in the process of business operation and management.

(II) The actual situation of financial report

KPMG Huazhen LLP and KPMG have separately audited the Bank's annual financial statements prepared in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, and separately issued

unqualified audit reports thereon. The Board of Supervisors considered that the financial statements were true, accurate and complete, reflecting the Bank's financial position and operating results.

(III) Acquisition and disposal of assets

During the reporting period, the Board of Supervisors did not find any insider trading, any conduct that damaged Shareholders' rights and interests or caused loss of assets in the process of acquisition or disposal of assets.

(IV) Related party transactions

As for the related party transactions that occurred during the reporting period, the Board of Supervisors did not find any behaviors that violated the principle of fairness or damaged the interests of the Bank and Shareholders.

(V) Internal control

The Board of Supervisors considered the *Internal Control Self-Assessment Report of Bank of Qingdao Co., Ltd. for 2023* and had no objection to the contents of the report. During the reporting period, no major defect was spotted in the integrity, rationality, effectiveness and implementation of the Bank's internal control mechanism and system.

(VI) Implementation of resolutions of the general meeting

The Board of Supervisors had no objection to the reports and proposals submitted by the Board of Directors to the general meeting of the Bank for consideration in 2023, supervised the implementation of the resolutions of the general meeting, and believed that the Board of Directors had conscientiously implemented the relevant resolutions of the general meeting.

(VII) Information disclosure

During the reporting period, the Bank complied with the regulatory requirements to fulfil its information disclosure obligations, conscientiously implemented the information disclosure management system, disclosed information in a timely and fair manner, and ensured that disclosed information is true, accurate and complete.

III. WORK PLAN FOR 2024

In 2024, the Board of Supervisors will conscientiously implement the decisions and arrangements of the CPC Central Committee and the State Council, do not forget the original intention, effectively implement the various responsibilities entrusted by the charter, closely focus on the Bank's "quality and efficiency priority, distinctive characteristics, flexible mechanism" strategic goals, actively adapt to the development of new situations and changes, and implement the functions of the Board of supervisors. The focus will be on the following aspects:

(I) Strictly adhered to regulatory requirements and conscientious fulfilled supervisory responsibilities

The Board of Supervisors will closely follow changes in regulatory policies, carefully study regulatory opinions, and adhere to regulatory requirements as a guide for action in supervisory work. Firstly, hold the meeting of the Board of Supervisors in a standardized and efficient manner. The Board of Supervisors earnestly implements the latest regulatory policies and the strategic objectives of the whole bank, timely increases and adjusts key supervision topics, and continuously improves the quality and effectiveness of the Board of Supervisors' deliberations. Secondly, consolidate the supervision force, strengthen the linkage with internal audit, external audit, discipline inspection, compliance and other lines, broaden the coverage of supervision, increase the focus of supervision, build a "chess game" of supervision, ensure that all businesses meet the requirements of supervision and risk control at all levels, and build a "security line" for the stability and long-term development of the Bank. Thirdly, continue to improve the working mechanism of employee supervisors, give full play to the advantages of employee supervisors in work, and promote daily supervision in an orderly manner. Employee supervisors increase their attention to key businesses and new business models by in-depth visits to the lines of the head office and branches to understand the latest situation.

(II) Fulfills our supervisory responsibilities and improves the effectiveness of supervision

Firstly, continue to strengthen strategic supervision. The Board of Supervisors will continue to pay attention to the implementation effect of phased strategic decisions, evaluate the rationality and effectiveness of strategic planning, timely feedback the problems found in the implementation of strategic planning to the Board of Directors and senior management, and promote the implementation and optimization of strategic planning. Secondly, strengthen the supervision of the performance of duties, take the supervision of the performance of duties as the starting point, give full play to the supervision and balance role of corporate governance, and promote the Board of Directors and senior management to comply with and fully perform their duties. Thirdly, continue to do a good job of financial supervision and internal risk control supervision, audit and supervision of annual financial accounts, annual reports, profit distribution, comprehensive risk management system construction, data governance and other related content, to ensure the stable operation of the Bank.

(III) Strengthen self-capacity building and effectively enhance the ability to supervise the performance of duties

Firstly, the Bank will successfully complete the general election of the Board of Supervisors, set up a new team of the Board of Supervisors with a reasonable structure and competent personnel, and does a good job in training and communication for the new supervisors to ensure a smooth transition of the Board of Supervisors. Secondly, the Bank will continue to enrich the training and learning methods, and actively adopt a combination of online and offline methods to provide supervisors with multi-faceted and systematic learning and training, so as to effectively support supervisors to continuously improve their compliance awareness and strengthen their ability to perform their duties. Thirdly, the Bank will strengthen peer-to-

peer exchanges and actively learn from outstanding listed companies and advanced the Board of Supervisors of banks in the same industry, so as to open up working ideas, innovate working methods, optimise working processes and enhance working effectiveness.

Please consider.

**INFORMATION OF THE CANDIDATES FOR
DIRECTORS OF THE NINTH SESSION OF THE BOARD****CANDIDATES FOR NON-EXECUTIVE DIRECTORS**

Mr. Zhou Yunjie, born in November 1966, holds a doctoral degree in business administration from Xi'an Jiaotong University, and is a chief senior engineer. In June 2015, the qualification was approved and Mr. Zhou served as a non-executive Director of the Bank. Mr. Zhou has served as the chairman of the board and chief executive officer of Haier Group since November 2021. Mr. Zhou has also served as the chairman of Haier Kaaosi Co., Ltd., and a director of Qingdao Haier Biomedical Co., Ltd. Mr. Zhou served as the chief marketing officer, a vice president, the president, and a vice chairman of the board of Haier Group.

Mr. Rosario Strano, born in April 1963, holds a bachelor degree of law from University of Bari in Italy. In June 2012, the qualification was approved and Mr. Strano has served as a non-executive Director of the Bank. He has been the head of China development project of Intesa Sanpaolo S.p.A. since January 2020. Mr. Strano served as, among others, the head of human resources and organization management department at the international subsidiary banks division of Intesa Sanpaolo S.p.A., the chief human resources officer of Intesa Sanpaolo S.p.A., the chief operating officer of Intesa Sanpaolo S.p.A. Group.

Ms. Tan Lixia, born in September 1970, holds a doctoral degree in advanced professional research in applied finance from University of Geneva, Switzerland, and her master's degree in business administration from China Europe International Business School, and is a Chartered Global Management Accountant (CGMA), a Certified Practicing Accountant Australia (CPA Australia) and a Superior Management Accountant (特級管理會計師) accredited by China Association of Chief Financial Officers. In May 2012, the qualification was approved and Ms. Tan served as a non-executive Director of the Bank. Since November 2021, Ms. Tan served as a vice chairman of the board and an executive vice president of Haier Group. She has also served as the chairlady of Qingdao Haier Biomedical Co., Ltd., the chairlady of INKON Life Technology Co., Ltd. Ms. Tan served as a senior vice president and an executive vice president of Haier Group, and a director of China International Capital Corporation Limited.

Mr. Giamberto Giraldo, born in May 1967, has a high school education. Mr. Giraldo has served as the director and general manager of Qingdao Yicai Fund Distribution Co., Ltd., a wholly-owned subsidiary of Intesa Sanpaolo S.p.A. since September 2016. He served as a deputy director of the banking business department of Ambrosiano Veneto, an associate director of the banking sales line of Popolare Friuladria, and regional manager of the private banking department of Popolare FriulAdria S.p.A. (福德萊姆聯合聖保羅私人銀行).

Mr. Deng Youcheng, born in August 1971, holds a master's degree in business administration from Tongji University, and is a certified public accountant, a certified public valuer, a senior auditor, a senior consultant and an accountant. In June 2018, the qualification was approved and Mr. Deng served as a non-executive Director of the Bank. Since June 2023, Mr. Deng has served as a deputy secretary to the party committee, a director of Qingdao Conson Development (Group) Co., Ltd. (青島國信發展(集團)有限責任公司). Mr. Deng has also served as a director of Zhonglu Property and Casualty Insurance Co., Ltd. and a director of Qingdao Conson Industrial Co., Ltd. Mr. Deng served as the general manager and deputy general manager of Qingdao Conson Development (Group) Co., Ltd.

The Bank will enter into a service contract with each non-executive Director. The non-executive Director will receive non-executive Director allowance of RMB80,000 per year and a subsidy of RMB5,000 for each meeting attended from the Bank during tenure of office. These allowance and subsidy are determined in accordance with applicable laws, regulations and relevant remuneration policy of the Bank. Apart from the aforesaid allowance and subsidy, each non-executive Director will not receive any other remuneration from the Bank.

Save as disclosed above, each non-executive Director has not held any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years, nor held any other position in the Bank or its subsidiaries. Each candidate for non-executive Director does not have any relationship with any other Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Bank. Each candidate for non-executive Director has no interest in the shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

Save as disclosed in this circular, each candidate for non-executive Director does not have any other information that is required to be disclosed under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor any other matters that are required to be disclosed under the abovementioned rules at present and in the past. Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders of the Bank.

CANDIDATES FOR EXECUTIVE DIRECTORS

Mr. Jing Zailun, born in February 1970, holds a bachelor of science majoring in applied physics of Shandong University, a master of economics majoring in finance of Ocean University of China, a master of business administration majoring in business administration of City University of London, a doctor of management majoring in accounting of Ocean University of China and an accountant. Mr. Jing joined the Bank in May 2022 as the secretary to the party committee of the Bank. In July 2022, the qualification was approved and Mr. Jing served as the executive Director and chairman of the Board of the Bank. Prior to joining the Bank, Mr. Jing served as the general manager of the human resources department and the head of the organization department of the party committee of Shandong Branch of Bank of China, the assistant to the president and a member of the party committee, and the vice president and a member of the party committee of Yunnan Branch of Bank of China, the vice president and a member of the party committee of Shandong Branch of Bank of China, during which he served concurrently as the president and the secretary to the party committee of Jinan Branch of Bank of China, etc.

Mr. Wu Xianming, born in April 1972, holds a bachelor's degree in economics from Renmin University of China and master's degree in economics from Shenzhen Financial and Engineering School of Nankai University (南開大學深圳金融工程學院). He is a senior economist. Mr. Wu joined the Bank in December 2022 as deputy secretary of the party committee. In March 2023, the qualification was approved and Mr. Wu served as the executive Director and president of the Bank. Prior to joining the Bank, Mr. Wu served as a member and the secretary of the party committee and president of Agricultural Bank of China Shenzhen Bao'an Branch (中國農業銀行深圳市寶安支行), a member of the party committee and vice president of

Agricultural Bank of China Qingdao Branch (中國農業銀行青島市分行), a member of the party committee and vice president of Agricultural Bank of China Tibet Autonomous Region Branch (中國農業銀行西藏自治區分行).

Ms. Chen Shuang, born in January 1968, holds a master's degree of arts majoring in English language and literature of Shanghai International Studies University as well as a master's degree of science majoring in financial investment of the University of Edinburgh in the United Kingdom. Ms. Chen joined the Bank in January 2007, and sequentially served as an assistant to the president and vice president of the Bank; in January 2017 and November 2023, the qualification was approved and Ms. Chen served as vice president and executive Director of the Bank successively. Prior to joining the Bank, Ms. Chen served as a deputy general manager of the trade clearing department, an assistant to the president and the vice president of China CITIC Bank (formerly known as "CITIC Industrial Bank") Qingdao Sifang Branch, vice general manager of the business department, the general manager of the international business department and the general manager of the fund and capital market department of China CITIC Industrial Bank Qingdao Branch, etc.

Mr. Liu Peng, born in January 1981, holds a master degree of business administration from Oxford University. Mr. Liu joined the Bank in January 2011 and received his qualification approval in October 2019 and July 2021, served as a vice president and executive Director of the Bank. Mr. Liu has also served as a director (acting as chairman) of Qingyin Wealth Management Company Limited. He served as the general manager of the financial market department and the general manager of asset management department, the president of the financial market business unit and the financial market business director of the head office of the Bank. Prior to joining the Bank, Mr. Liu worked in the Qingdao branch of Agricultural Bank of China, and served as an assistant to the general manager of international business department of the head office of Hengfeng Bank.

The Bank will enter into a service contract with each executive Director. The remuneration of the executive Director of the Bank during tenure of office shall comply with the administrative measures on remuneration and performance of senior management of the Bank, which mainly consists of basic salary, performance remuneration and welfare income, among which performance remuneration shall be determined according to the Bank's performance and personal annual assessment results and be paid after consideration and approval by the Board, and he/she will not receive additional Director allowance from the Bank for his/her position as the executive Director of the Bank.

Save as disclosed above, each candidate for executive Director has not held any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years, nor held any other position in the Bank or its subsidiaries. Each candidate for executive Director does not have any relationship with any other Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Bank. As at the Latest Practicable Date, Ms. Chen Shuang held 455,000 A Shares of the Bank. Save as disclosed above, each candidate for executive Director has no interest in the shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

Save as disclosed in this circular, each candidate for executive Director does not have any other information that is required to be disclosed under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor any other matters that are required to be disclosed under the abovementioned rules at present or in the past. Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders of the Bank.

CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xing Lecheng, born in November 1962, holds a doctoral degree in corporate management from the School of Business from Nankai University, and is a professor. In July 2021, the qualification was approved and Mr. Xing served as an independent non-executive Director of the Bank. Since December 2018, he has been the director of Investment and Financing Research Center of University of Jinan (濟南大學投融資研究中心) and the dean of Shandong Institute of Inclusive Financial Research (山東省普惠金融研究院). Mr. Xing has served as a member of Shandong National People's Congress Standing Committee, an expert enjoying special government allowances from the State Council, a committee member of the Investment Association of China and a vice president of Shandong Capital Venture Association (山東省創業投資協會). He has also served as an independent director of Tiannuo Photoelectric Material Co., Ltd. (天諾光電材料股份有限公司), Shandong Laiwu Rural Commercial Bank Co., Ltd. (山東萊蕪農村商業銀行股份有限公司) and Shandong Linuo Technical Glass Co., Ltd. (山東力諾特種玻璃股份公司). Mr. Xing served as the chairman of Huasu Holdings Co., Ltd. and the dean of the School of Economics and the Institute of Financial Research of University of Jinan.

Mr. Zhang Xu, born in November 1969, holds a doctoral degree in western economics from Wuhan University, and is a professor. In July 2021, the qualification was approved and Mr. Zhang served as an independent non-executive Director of the Bank. Mr. Zhang has been a lecturer of Qingdao University since July 1993, and is currently a professor in the Department of Finance, School of Economics of Qingdao University. Mr. Zhang is currently a member of Qingdao CPPCC Standing Committee, the deputy director of Qingdao Committee of Jiusan Society (九三學社青島市委員會), a special researcher of the expert decision-making advisory committee of the Qingdao municipal government (青島市政府專家決策諮詢委員會), a committee member of Economy Development Society of China Association for Study of Foreign Economics (中華外國經濟學說研究會發展經濟學分會), the vice president of Qingdao Urban Economics Society (青島市城市經濟學會), has also served as an external director of Weifang Rural Credit Cooperative Union (濰坊市農村信用合作社聯合社), etc. He served as the deputy dean of School of Economics, Qingdao University.

Mr. Cheung Man Chor, Elton, born in September 1972, holds double bachelor's degree in economics and law from the University of Sydney in Australia. He is qualified to practice law in Hong Kong, England and Wales, and New South Wales, Australia and licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) by the Securities and Futures Commission of Hong Kong. In April 2023, the qualification was approved and Mr. Cheung served as an independent non-executive Director of the Bank. Mr. Cheung has served as a group partner, chief strategy officer and chief legal officer of VMS Group since May 2021. He served as a senior partner and chief executive officer in JIDA Capital, a senior legal counsel for Asia Pacific region of private investment management division

under the law compliance department, managing director and chief legal officer of Greater China and managing director of corporate governance department and chief operating officer of China in Morgan Stanley, a senior attorney in Freshfields Bruckhaus Deringer, etc.

Mr. Du Ning, born in July 1977, holds a bachelor's degree in computer science and technology from Peking University and a master's degree in software engineering from Peking University. He is a senior engineer. In December 2023, the qualification was approved and Mr. Du served as an independent non-executive Director of the Bank. He has served as the chief executive officer of Regtek (Beijing) Technologies Co., Ltd. since July 2021. He served as a branch manager of the department of science and technology of the People's Bank of China, a partner and executive vice president of Beijing Fourth Paradigm Technology Co., Ltd., the president of Huakong TsingJiao Information Science (Beijing) Limited, etc.

Mr. Fan Xuejun, born in May 1973, holds a bachelor's degree in accounting from the Cadre College of Economic Management of Shandong. He is a certified public accountant. Mr. Fan has been served as a partner and a member of the internal audit committee of RSM China (special general partner) since December 2016. He served as an independent director of Triangle Tyre Co., Ltd., the deputy director of the finance department of Jinan Huaneng Pneumatic Components Co., Ltd. (濟南華能氣動元器件有限公司), and the senior project manager of Shandong Zhengyuan Hexin (Limited) Certified Public Accountants (山東正源和信有限責任會計師事務所).

The Bank will enter into a service contract with each independent non-executive Director. The independent non-executive Director of the Bank will receive independent non-executive Director allowance of RMB120,000 per year and a subsidy of RMB5,000 for each meeting attended from the Bank during tenure of office. These allowance and subsidy are determined in accordance with applicable laws, regulations and relevant remuneration policy of the Bank. Apart from the aforesaid allowance and subsidy, each independent non-executive Director will not receive any other remuneration from the Bank.

Save as disclosed above, each candidate for independent non-executive Director has not held any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years, nor held any other position in the Bank or its subsidiaries. Each candidate for independent non-executive Director does not have any relationship with any other Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Bank, or any interests in the shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

Regarding the proposed nomination of Mr. Xing Lecheng, Mr. Zhang Xu, Mr. Cheung Man Chor, Elton, Mr. Du Ning and Mr. Fan Xuejun as candidates for independent non-executive Directors of the ninth session of the Board, the Nomination Committee under the Board and the Board of the Bank have complied with the Director's qualifications and electoral procedures under the Articles of Association. Considering the actual situation of the Bank, the candidates' professional experience, skills and knowledge, the possibility of the candidates for independent non-executive Directors in improving the efficiency of the Board, and the time may be devoted to the Bank by such candidates, the Nomination Committee under the Board of the Bank nominated Mr. Xing Lecheng, Mr. Zhang Xu, Mr. Cheung Man Chor, Elton, Mr. Du Ning and Mr. Fan Xuejun as the candidates for independent non-executive Directors.

Mr. Xing Lecheng, Mr. Zhang Xu and Mr. Fan Xuejun have financial expertise, while Mr. Cheung Man Chor, Elton possesses expertise in law and Mr. Du Ning has professional knowledge on information technology. The Board believes that Mr. Xing Lecheng, Mr. Zhang Xu, Mr. Cheung Man Chor, Elton, Mr. Du Ning and Mr. Fan Xuejun are capable of giving objective, independent and sufficient opinions and analysis in terms of finance, market operation, corporate management and other aspects with the help of their extensive experience and knowledge. Furthermore, they can contribute to Board diversity on various aspects, including but not limited to culture, professional skills and qualifications.

Each candidate for independent non-executive Directors has confirmed their independence in accordance with the factors set out in Rule 3.13 of the Hong Kong Listing Rules, including (a) he is independent as regards each of the factors as set out in Rules 3.13(1) to (8) of the Listing Rules; (b) he has no past or present financial or other interest in the business of the Bank or any of its subsidiaries, and has no connection with any core connected person (as defined in the Listing Rules) of the Bank; and (c) there are no other factors that may affect his independence. After assessing the independence of each candidate for independent non-executive Directors in accordance with the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules, the Nomination Committee under the Board and the Board of the Bank confirm that they are all independent individuals.

Save as disclosed in this circular, each candidate for independent non-executive Director does not have any other information that is required to be disclosed under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor any other matters that are required to be disclosed under the abovementioned rules at present or in the past. Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders of the Bank.

**INFORMATION OF THE CANDIDATES FOR SUPERVISORS OF
THE NINTH SESSION OF THE BOARD OF SUPERVISORS****CANDIDATE FOR SHAREHOLDER SUPERVISOR**

Mr. He Liangjun, born in February 1973, holds a master's degree of business administration from China Europe International Business School, and is a senior engineer. Mr. He was appointed as a shareholder supervisor of the Bank in October 2019. Mr. He has served as a director and secretary to the Board of Qingdao East Steel Tower Stock Co., Ltd. (青島東方鐵塔股份有限公司) since April 2007. Mr. He currently serves as a supervisor of Qingdao Hairen Investment Co., Ltd. (青島海仁投資有限責任公司), the chairman to the board and general manager of Sichuan Huiyuanda Potash Fertilizer Co., Ltd. (四川省匯元達鉀肥有限責任公司), the general manager of Hainan Goodi International Trade Co., Ltd. (海南谷迪國際貿易有限公司), an executive director of Nanjing Shineng New Energy Technology Co., Ltd. (南京世能新能源科技有限公司), an executive director of Shanghai Shilite New Energy Technology Co., Ltd. (上海世利特新能源科技有限公司), an executive director of Qingdao Shilite New Energy Technology Co., Ltd. (青島世利特新能源科技有限公司), and an executive director of Shanghai Huiyuanda Chemical Co., Ltd. (上海匯沅達化工有限公司), etc. Mr. He served as the business manager of Eastern China and the head of the marketing department of Qingdao East Steel Tower Stock Co., Ltd., etc.

CANDIDATES FOR EXTERNAL SUPERVISORS

Mr. Hao Xianjing, born in October 1965, holds a master's degree in national economic planning from Liaoning University, and is a certified public accountant, a certified tax agent, and a senior accountant. Mr. Hao was appointed as an external supervisor of the Bank in May 2021. He joined ShineWing Certified Public Accountants since 2009. Currently, he serves as a vice president and partner of ShineWing Certified Public Accountants. He has served as a director of Shandong ShineWing Engineering Management Consulting Co., Ltd. (山東信永中和工程管理諮詢有限公司) since February 2015, a director of Jinan ShineWing Certified Tax Agents Co., Ltd. (濟南信永中和稅務師事務所有限公司) since April 2017. Mr. Hao also served as an independent director of Qingdao BAHEAL Pharmaceutical Co., Ltd. (青島百洋醫藥股份有限公司), an independent director of Zaozhuang Bank Co., Ltd. (棗莊銀行股份有限公司), an independent director of RemeGen Co., Ltd. (榮昌生物製藥(煙台)股份有限公司), and a standing director of the Shandong Institute of Certified Public Accountants. Mr. Hao served as an independent director of Tianguang Zhongmao Co., Ltd. (天廣中茂股份有限公司), an independent director of AVCON Information Technology Co., Ltd. (華平信息技術股份有限公司) and a director of Shandong Zhonghe Zhengxin Risk Management Consulting Co., Ltd. (山東中和正信風險管理諮詢有限公司), etc.

Mr. Jiang Xinglu, born in November 1971, holds a bachelor's degree in law from Shandong University. Mr. Jiang was appointed as an external supervisor of the Bank in May 2021. Mr. Jiang has served as the general manager of Shandong Blue Economy Industrial Fund Management Co., Ltd. since January 2015, and an executive partner of Hainan Yulin Private Fund Management Partnership (Limited Partnership) (海南昱林私募基金管理合夥企業(有限合夥)) since February 2016. Mr. Jiang has also served as an independent director of Tsingtao Brewery Co., Ltd. (青島啤酒股份有限公司) and Liqun Commercial Group Co., Ltd. (利群商業集團股份有限公司), an external director of SINOSTAR PEC HOLDINGS LIMITED, the chairman of Qingdao Blue Ocean Emerging Industry Venture Capital Management Co., Ltd. (青島藍色海洋

新興產業創業投資管理有限公司), the chairman of Shandong Blue Cloud Sea Information Fund Management Co., Ltd. (山東藍色雲海信息基金管理有限公司), a director of Qingkong Jinxin Blue (Qingdao) Investment Management Co., Ltd. (清控金信藍色(青島)投資管理有限公司), an executive director and general manager of Qingdao Yulin Investment Co. Ltd. (青島昱林投資有限公司), and the chairman and general manager of Qingdao YulinYi Real Estate Investment Co., Ltd. (青島昱林易置業投資有限公司). Mr. Jiang served as an independent director of Qingdao Neusoft Carrier Technology Co., Ltd. (青島東軟載波科技股份有限公司), etc. and Hailier Pharmaceutical Group Co., Ltd., a senior partner of Shandong Qindao Law Office (山東琴島律師事務所), a partner of Grandall Law Firm, and a partner of King & Wood Mallesons (Beijing), etc.

Mr. Lu Kun, born in September 1979, holds a doctorate degree in technology economics and management from Renmin University of China, a postdoctoral degree in fishery science from Ocean University of China. Mr. Lu was appointed as the external supervisor of the Bank in May 2021. He joined Ocean University of China in 2007 and currently serves as the deputy director of the Center for Marine Carbon Neutrality, professor of the School of Management and doctoral supervisor of Ocean University of China. Mr. Lu also serves as a member of the Marine Economics Branch of Chinese Society for Oceanography, vice chairman of the Fishery Economy Professional Committee of the Chinese Society of Forestry, Animal Husbandry and Fishery Economy (中國林牧漁業經濟學會漁業經濟專業委員會), a member of the Fishery Economics and Policy Professional Committee of the Chinese Fisheries Society(中國水產學會漁業經濟與政策專業委員會), a member of the Marine Education and Training Branch of the China Ocean Engineering Consulting Association(中國海洋工程諮詢協會海洋教育培訓分會), an expert on the economic evaluation of the fishery industry in the National Coastal Fishing Port Economic Zone Construction; a member of Marine Economy and Modern Finance Professional Committee of Shandong Young Innovative Talents Association(山東省青年創新人才協會海洋經濟與現代金融專業委員會), the director and deputy secretary-general of the Shandong Society for Applied Statistics (山東省應用統計學會), a standing member of the Shandong Marine Economy Professional Committee (山東省海洋經濟專業委員會), a member of Marine Economy High-quality Development Think Tank (海洋經濟高質量發展智庫), an expert of Shandong Provincial Development and Reform Commission, a performance appraisal expert of Qingdao Municipal Government Office, an expert of Carbon Peak Emissions and Carbon Neutrality Standardization Working Group in Qingdao, and an evaluation expert of Qingdao Productivity Promotion Center Entrepreneurial Project (青島市生產力促進中心創業項目). Mr. Lu served as the Deputy Mayor of Tongcheng People's Government of Anqing City, Anhui Province, etc.

The Bank will enter into service contracts with each supervisor. The shareholder supervisor will be entitled to receive shareholder supervisor allowance of RMB56,000 per year and subsidy of RMB3,500 for each meeting attended from the Bank during tenure of office. The external supervisor will be entitled to receive external supervisor allowance of RMB84,000 per year and subsidy of RMB3,500 for each meeting attended from the Bank during tenure of office. Such allowance and subsidy have been determined in accordance with applicable laws, regulations and relevant remuneration policy of the Bank. Apart from the aforesaid allowance and subsidy, the shareholder supervisor and external supervisors will not receive any other remuneration from the Bank.

APPENDIX IV**INFORMATION OF THE CANDIDATES
FOR SUPERVISORS OF THE NINTH SESSION
OF THE BOARD OF SUPERVISORS**

Save as disclosed above, each candidate for supervisor has not held any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years, nor held any other position in the Bank or its subsidiaries. Each candidate for supervisor does not have any relationship with any other Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Bank or has any interest in any shares of the Bank within the meaning under Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

Save as disclosed in this circular, each candidate for supervisor does not have any other information that is required to be disclosed under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor any matters that are required to be disclosed under the abovementioned rules at present or in the past. Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders of the Bank.

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS OF BANK OF QINGDAO CO., LTD. FOR 2024

I. ESTIMATED CLASSIFICATION AND AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS

No.	Related party	Contents of Related Party Transactions	2024 Estimated Amount (RMB100 million)	Trading Balance/ Transaction Amount as at the End of Last Year (RMB100 million)
1	Haier Group Corporation and its related parties	Credit businesses	36.20	16.27
		Deposit businesses	28.29	3.85
2	Intesa Sanpaolo S.p.A. and its related parties	Credit businesses	2.00	–
		Deposit businesses	1.50	1.25
		Other non-credit businesses	0.25	0.007
3	Qingdao Conson Development (Group) Co., Ltd. and its related parties	Credit businesses	32.00	14.09
		Deposit businesses	9.61	0.24
		Other non-credit businesses	0.19	0.21
4	BQD Financial Leasing Company Limited	Credit businesses	40.00	8.00
		Deposit businesses	10.00	7.03
		Other non-credit businesses	4.07	0.02
5	Qingyin Wealth Management Company Limited	Credit businesses	0.16	–
		Deposit businesses	10.00	4.84
		Other non-credit businesses	163.04	12.80
6	Tsingtao Brewery Co., Ltd.	Credit businesses	4.00	–
		Deposit businesses	50.00	20.00
7	Qingdao Rural Commercial Bank Co., Ltd.	Credit businesses	7.00	2.49
		Other non-credit businesses other than deposit	0.005	–
8	China International Capital Corporation Limited	Credit businesses	10.00	–
		Other non-credit businesses other than deposit	5.21	0.001
9	Zaozhuang Bank Co., Ltd.	Credit businesses	10.00	–

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

No.	Related party	Contents of Related Party Transactions	2024 Estimated Amount (RMB100 million)	Trading Balance/ Transaction Amount as at the End of Last Year (RMB100 million)
10	Shandong Laiwu Rural Commercial Bank Co., Ltd.	Credit businesses	5.00	-
11	Liqun Commercial Group Co., Ltd.	Credit businesses	2.65	1.88
12	Mesnac Co., Ltd.	Credit businesses	2.00	0.001
		Deposit businesses	3.00	0.51
13	Triangle Tyre Co., Ltd.	Deposit businesses	15.10	10.81
14	RemeGen Co., Ltd.	Credit businesses	1.00	-
		Deposit businesses	1.00	-
15	Qingdao Baiyang Pharmaceutical Co., Ltd.	Credit businesses	1.00	-
16	Related natural persons	Credit businesses	9.30	2.94
		Deposit businesses	8.50	5.35
		Other non-credit businesses	0.003	0.0005
Sub-total of credit businesses			162.31	45.67
Sub-total of deposit businesses			137.00	53.88
Sub-total of other non-credit businesses			172.77	13.04

Notes:

1. The estimated amount above is applicable to the related party transactions between the Bank or the majority-owned subsidiaries of the Bank and the related parties of the Bank but does not constitute the Bank's or the majority-owned subsidiaries of the Bank's business commitment to its customers. When the related party transaction within the estimated amount actually occurs, the business risk approval and related party transaction approval will be implemented in accordance with the Bank's authorization plan. The actual transaction plan shall be subject to the written documents issued by the Bank's competent examination and approval department.
2. If the amount of related party transactions set out in the above table is within the approval authority of the Board, it shall take effect from the date of approval by the Board; for those not within the scope of the Board's authority, it shall take effect from the date of approval at the annual general meeting of the year. The validity period of related party transactions amount set out above shall be valid until the date on which the new estimated amount of the ordinary related party transactions is considered and approved at the next annual general meeting of the Bank.
3. In the above table, the data of credit and deposit businesses is calculated based on the balance at the end of the previous year, and the data of other non-credit businesses is calculated based on the annual amount of the transactions.
4. As of the end of the Reporting Period, the balance of credit-related business with Haier Group Corporation and its related parties was RMB1.627 billion, including the RMB65 million balance of credit-related businesses between BQD Financial Leasing Company Limited and Haier Group's related parties.

II. INTRODUCTION OF THE RELATED PARTIES AND RELATED RELATIONSHIP

(I) Haier Group Corporation

1. Basic information

Haier Group Corporation, with Zhou Yunjie as its legal representative, has a registered capital of RMB311.18 million. It is principally engaged in the technology development, technology consultancy, technology transfer, technology services, including industrial internet, etc.; data processing; engaged in digital technology, intelligent technology, software technology; research and development, sales and after-sales services of robots and automation equipment products; logistics information services; the research and development and sales of intelligent household products and solution system software technology; the production of household appliances, electronic products, communication equipment, electronic computers and accessories, general machinery, kitchen appliances and robots for industrial purpose; domestic commercial (excluding national restricted, licensed and controlled commodities) wholesale and retail; export and import business (refer to foreign enterprise confirmation certificate for details); economic technology consultancy; research, development, and transfer of technological achievements; and lease of self-owned properties. Its domicile is located at Haier Road, Hi-Tech Industrial Park, Qingdao City, Shandong Province (in Haier Industrial Park). As of 31 December 2022, it recorded audited total asset of RMB386.0 billion, net asset of RMB122.2 billion. It achieved revenue of RMB291.1 billion and net profit of RMB16.7 billion in 2022.

2. Related relationship with the Bank

Haier Group Corporation is a substantial shareholder of the Bank with its subsidiaries holding a total of more than 5% of the Bank's Shares, which is in line with the related relationship as set out in the provisions of Article 7 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. Duty performance analysis

The above-mentioned related party has strong operating strength, stable development in main business and results, and good duty performance ability. This related party is not a dishonest person subject to enforcement.

(II) Intesa Sanpaolo S.p.A.

1. Basic information

Intesa Sanpaolo S.p.A., with Gian Maria GROS-PIETRO as its legal representative, has a registered capital of EUR10.369 billion. It is principally engaged in the commercial banking business. Its domicile is located in Piazza San Carlo, 156 10121 Torino. As of

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

the end of September 2023, the total asset was EUR947.134 billion and the net asset was EUR64.511 billion. It achieved revenue from the main business of EUR19.412 billion and net profit of EUR6.151 billion in the first three quarters of 2023.

2. *Related relationship with the Bank*

Intesa Sanpaolo S.p.A. is a substantial shareholder of the Bank holding more than 5% of the Bank's Shares, which is in line with the related relationship as set out in the provisions of Article 7 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party is a large multinational bank headquartered in Italy. It has strong operating strength in the fields of retail banking, corporate banking and wealth management. It has good major financial indicators and good duty performance ability. This related party is not a dishonest person subject to enforcement.

(III) Qingdao Conson Development (Group) Co., Ltd.

1. *Basic information*

Qingdao Conson Development (Group) Co., Ltd., with Liu Luqiang as its legal representative, has a registered capital of RMB3 billion. It is principally engaged in the investment, construction and operation of major infrastructure projects in urban and rural areas and major public welfare programs of the government; and engaged in service businesses covering real estate, tourism, land development, and approved non-banking financial services, and the investment and operation of other assets other than those prohibited by national laws and regulations approved by the government. Its domicile is located in the T1 office building of Haitian Center, No. 48 Hong Kong West Road, Shinan District, Qingdao City, Shandong Province. As of the end of September 2023, the total asset was RMB115.022 billion and the net asset was RMB35.297 billion. It achieved revenue of RMB8.384 billion and net profit of RMB1.090 billion in the first three quarters of 2023.

2. *Related relationship with the Bank*

Qingdao Conson Development (Group) Co., Ltd. is a substantial shareholder of the Bank with its subsidiaries holding a total of more than 5% of the Bank's Shares, which is in line with the related relationship as set out in the provisions of Article 7 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party is a high-quality, large-scale state-owned enterprise engaged in the investment and operation of state-owned capital. Its major financial indicator is good, and the business operations in various fields are stable and have good duty performance ability. This related party is not a dishonest person subject to enforcement.

(IV) BQD Financial Leasing Company Limited

1. *Basic information*

BQD Financial Leasing Company Limited, with Meng Dageng as its legal representative, has a registered capital of RMB1 billion. It is principally engaged in the finance leasing business; transferring in and out assets under a finance lease; fixed income securities investment business; accepting guaranteed deposit of the lessee; absorbing fixed deposits over 3 months (inclusive) from non-bank shareholders; interbank lending and borrowing; obtaining loans from financial institutions; lending loans to offshore borrowers; disposal of and dealing with leased articles; economic consulting; other businesses approved by the banking regulatory authority. Its domicile is located in 15/F, Building No. 3, No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province. As of the end of September 2023, the total asset was RMB17.829 billion and the net asset was RMB1.791 billion. It achieved operating income of RMB460 million and net profit of RMB206 million in the first three quarters of 2023.

2. *Related relationship with the Bank*

The Bank initiated and established BQD Financial Leasing Company Limited and held 51% of its share capital. It is a holding subsidiary of the Bank, which is in line with the related relationship as set out in the provisions of Article 7 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party constantly improves its operating ability and profitability with solid risk control and steady operation. It has good major financial indicators and sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(V) Qingyin Wealth Management Company Limited

1. Basic information

Qingyin Wealth Management Company Limited, with Liu Peng as its legal representative, has a registered capital of RMB1 billion. It is primarily engaged in the public offering of wealth management products to the general public, private placement of wealth management products to eligible investors, investment and management of properties entrusted by investors, and provision of wealth management advisory and consulting services. Its domicile is located in 37-40/F Qingdao World Financial Center (WFC Sincere Center), Building 1, No. 19 Qinling Road, Laoshan District, Qingdao, Shandong Province. As of the end of September 2023, the total asset was RMB1.824 billion and the net asset was RMB1.639 billion. It achieved operating income of RMB402 million and net profit of RMB234 million in the first three quarters of 2023.

2. Related relationship with the Bank

The Bank initiated and established Qingyin Wealth Management Company Limited and held its entire share capital, which is in line with the related relationship as set out in the provisions of Article 7 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. Duty performance analysis

The above-mentioned related party is the first wealth management subsidiary of a city commercial bank approved in Northern China and the sixth within the whole country. It adheres to the business philosophy of “establishment with compliance, governance with professionalism, emergence with innovation and enhancement with technology”, has enjoyed stable operation since its opening, and is well capable of performing its duties. This related party is not a dishonest person subject to enforcement.

(VI) Tsingtao Brewery Co., Ltd.

1. Basic information

Tsingtao Brewery Co., Ltd., with Huang Kexing as its legal representative, has a registered capital of RMB1.364 billion. It is principally engaged in the production of beer, the sale of pre-packaged food and the production of beverages, whiskey and distilled spirits. Its domicile is located at No. 56 Dengzhou Road, Shibei District, Qingdao City. As of the end of September 2023, the total asset was RMB49.751 billion and the net asset was RMB28.924 billion. It achieved revenue of RMB30.978 billion and net profit of RMB4.999 billion in the first three quarters of 2023.

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

2. *Related relationship with the Bank*

Jiang Xinglu, a supervisor of the Bank, also serves as a director of Tsingtao Brewery Co., Ltd., which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party is a state-controlled A+H listed company with leading brand popularity and market share in the domestic beer industry. Its products are sold in over 100 countries and regions in the world. It has stable and outstanding financial conditions and sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(VII) Qingdao Rural Commercial Bank Co., Ltd.

1. *Basic information*

Qingdao Rural Commercial Bank Co., Ltd., with Wang Xifeng as its legal representative, has a registered capital of RMB5.556 billion. It is principally engaged in receiving public deposits in domestic and foreign currencies; granting short-term, medium-term and long-term loans in domestic and foreign currencies; handling settlement within and outside of China; handling bill acceptance and discounting; acting as agent in issuing, honoring and underwriting of government bonds; trading of government bonds and financial bonds; engaging in interbank borrowing and lending in domestic and foreign currencies; engaging in bank card business; acting as agent in collection and payment and insurance services; providing safe deposit box services; foreign exchange remittances; trading and acting as agent in foreign exchange trading; providing letters of credit services and guarantee; foreign credit investigations, advisory and attestation service; fund sales; other businesses as approved by the relevant competent authorities of the state. Its domicile is located at Building 1, No. 6 Qinling Road, Laoshan District, Qingdao City, Shandong Province. As of the end of September 2023, the total asset was RMB467.645 billion and the net asset was RMB39.430 billion. It achieved revenue of RMB8.230 billion and net profit of RMB3.073 billion in the first three quarters of 2023.

2. *Related relationship with the Bank*

Qingdao Rural Commercial Bank Co., Ltd. is a related party of Qingdao Conson Development (Group) Co., Ltd., a substantial shareholder of the Bank, which is in line with the related relationship as set out in the provisions of Article 32 of the *Interim Measures for the Equity Management of Commercial Banks*.

3. *Duty performance analysis*

The above-mentioned related party maintains steady operation and good business conditions and has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(VIII) China International Capital Corporation Limited

1. *Basic information*

China International Capital Corporation Limited, with Chen Liang as its legal representative, has a registered capital of RMB4.827 billion. It is principally engaged in securities business; foreign exchange business; sale of public securities investment funds; securities companies provide intermediary business for futures companies; securities investment fund custody business. Its domicile is located at 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing. As of the end of September 2023, the total asset was RMB624.874 billion and the net asset was RMB103.513 billion. It achieved revenue of RMB17.466 billion and net profit of RMB4.631 billion in the first three quarters of 2023.

2. *Related relationship with the Bank*

Tan Lixia, a director of the Bank, also served as a director of China International Capital Corporation Limited in the past 12 months, which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party is a high-quality state-controlled investment bank. Its major financial indicator is good, and the business operations in various fields are stable. It has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(IX) Zaozhuang Bank Co., Ltd.

1. *Basic information*

Zaozhuang Bank Co., Ltd., with Chen Dazhang as its legal representative, has a registered capital of RMB3.726 billion. It is principally engaged in receiving public deposits; granting short-term, medium-term and long-term loans; handling settlement within China; handling bill acceptance and discounting; issuance of financial bonds; acting as agent in issuing, honoring and underwriting of government bonds; trading of government bonds and financial bonds; engaging in interbank borrowing and lending; providing letters of credit services and guarantee; acting as agent in collection and

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

payment and insurance services; entrusted deposit and loan business; providing safe deposit box services; other businesses as approved by the banking regulatory authorities under the State Council. Its domicile is located at No. 1666, Guangming Avenue, Xuecheng District, Zaozhuang City, Shandong Province. As of the end of 2022, the total asset was RMB38.538 billion and the net asset was RMB4.894 billion. It achieved revenue of RMB622 million and net profit of RMB37 million in 2022.

2. *Related relationship with the Bank*

Hao Xianjing, a supervisor of the Bank, also serves as a director of Zaozhuang Bank Co., Ltd., which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party maintains steady operation and good business conditions and has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(X) Shandong Laiwu Rural Commercial Bank Co., Ltd.

1. *Basic information*

Shandong Laiwu Rural Commercial Bank Co., Ltd., with He Jijun as its legal representative, has a registered capital of RMB2.514 billion. It is principally engaged in receiving public deposits; granting short-term, medium-term and long-term loans; handling settlement within China; handling bill acceptance and discounting; acting as agent in issuing, honoring and underwriting of government bonds; trading of government bonds and financial bonds; participating in monetary markets, engaging in interbank borrowing and lending; acting as agent in collection and payment and insurance services; providing safe deposit box services; other businesses as approved by China Banking Regulatory Commission. Its domicile is located at No. 28 Luzhongdong Street, Laiwu District, Jinan City, Shandong Province. As of the end of 2022, the total asset was RMB43.603 billion and the net asset was RMB3.057 billion. It achieved revenue of RMB623 million and net profit of RMB145 million in 2022.

2. *Related relationship with the Bank*

Xing Lecheng, a director of the Bank, also serves as a director of Shandong Laiwu Rural Commercial Bank Co., Ltd., which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

3. *Duty performance analysis*

The above-mentioned related party maintains steady operation and good business conditions and has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(XI) Liqun Commercial Group Co., Ltd.

1. *Basic information*

Liqun Commercial Group Co., Ltd., with Xu Gongzao as its legal representative, has a registered capital of RMB850 million. It is principally engaged in department store, supermarket and electrical appliance retail chain operation, brand agency operation and urban logistics and distribution, and is also involved in various offline business formats such as convenience stores, fresh food community stores, category collection stores, as well as O2O and B2B online business formats. Its domicile is located at No. 78 Xiangjiang Road, Economic and Technological Development Zone, Qingdao City, Shandong Province. As of the end of September 2023, the total asset was RMB17.275 billion and the net asset was RMB4.222 billion. It achieved revenue of RMB5.951 billion and net profit of RMB27 million in the first three quarters of 2023.

2. *Related relationship with the Bank*

Jiang Xinglu, a supervisor of the Bank, also serves as a director of Liqun Commercial Group Co., Ltd., which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party is high-quality listed company client engaged in retail chain operations of department stores, supermarkets and electrical appliances. Its major financial indicator is good, and the business operations in various fields are stable. It has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(XII) Mesnac Co., Ltd.

1. *Basic information*

Mesnac Co., Ltd., with Guan Bingzheng as its legal representative, has a registered capital of RMB970 million. It is principally engaged in research and development and innovation of application software and information-based equipment in the rubber industry, providing tire enterprises with intelligence integrated solutions combining software and hardware, management and control, and promoting the development of

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

industrial intelligence, as well as extensive involvement in the Internet of Things, RFID, automated logistics, new rubber materials and other fields. At present, the Company has formed a more complete product chain, and is able to provide intelligent equipment and system software services for all aspects of tire production, such as batching, compacting, rolling, cutting, molding, vulcanizing, testing, and vertical warehouse. Its domicile is located at Room 202, Building 1, Block B, Yuanchuang International Blue Bay Creative Park, No. 31 Xinye Road, High-tech Zone, Qingdao City, Shandong Province. As of 30 September 2023, the total asset was RMB15.402 billion and the net asset was RMB5.411 billion. It achieved revenue from the main business of RMB3.677 billion and net profit of RMB261 million in the first three quarters of 2023.

2. *Related relationship with the Bank*

The relatives of Yang Fengjiang, a supervisor of the Bank, also serves as a director of Mesnac Co., Ltd., which is in line with the related relationship as set out in the provisions of Article 62 of the *Administrative Measures for the Information Disclosure of Listed Companies*.

3. *Duty performance analysis*

The above-mentioned related party is a leading enterprise in the industry. Its major financial indicator is good, and the business operations in various fields are stable. It has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(XIII) Triangle Tyre Co., Ltd.

1. *Basic information*

Triangle Tyre Co., Ltd., with Ding Mu as its legal representative, has a registered capital of RMB800 million. It is principally engaged in the development, production and sale of tires, rubber products, rubber machinery, instruments and apparatus, chemical products (excluding hazardous chemicals), nylon cord thread, steel cord thread and other raw and ancillary materials for tires as well as technical services; import and export within the scope of filing; design of chemical engineering projects, installment (operation with qualification certificates), machinery equipment and house leasing, storage (excluding hazardous chemicals), loading and unloading and logistic services, consulting services on corporate management; recycling and wholesale of renewable materials (excluding hazardous chemicals and items subject to licensing). Its domicile is located at No. 56 Qingdao Middle Road, Weihai City. As of the end of September 2023, the total asset was RMB18.366 billion and the net asset was RMB12.537 billion. It achieved revenue of RMB7.870 billion and net profit of RMB1.058 billion in the first three quarters of 2023.

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

2. *Related relationship with the Bank*

Fang Qiaoling, a director of the Bank, also served as a director of Triangle Tyre Co., Ltd. in the past 12 months, which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party is leading enterprise in the Chinese tire industry and has been ranking high in the industry in China for years. Its major financial indicator is good, and the business operations in various fields are stable. It has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(XIV) RemeGen Co., Ltd.

1. *Basic information*

RemeGen Co., Ltd., with Wang Weidong as its legal representative, has a registered capital of RMB544 million. It is principally engaged in the R& D, production and sale of pharmaceutical products and diagnostic reagents and products as well as the R& D of relevant technical services, technology transfer and import and export of goods or technology. Its domicile is located at No. 58 Beijing Middle Road, Yantai Development Zone, Yantai Area of (Shandong) Pilot Free Trade Zone, China. As of the end of September 2023, the total asset was RMB5.514 billion and the net asset was RMB3.956 billion. It achieved revenue of RMB769 million and net profit of RMB(1.031) billion in the first three quarters of 2023.

2. *Related relationship with the Bank*

Hao Xianjing, a supervisor of the Bank, also serves as a director of RemeGen Co., Ltd., which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party has strong pharmaceutical R& D capability and is devoted to the development of innovative and biopharmaceutical products. Its business operations in various fields are stable. It has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED PARTY TRANSACTIONS FOR 2024

(XV) Qingdao Baiyang Pharmaceutical Co., Ltd.

1. *Basic information*

Qingdao Baiyang Pharmaceutical Co., Ltd., with Fu Gang as its legal representative, has a registered capital of RMB525 million. It is principally engaged in providing commercialized integrated solutions for pharmaceutical manufacturers, including the provision of brand operation, wholesale distribution and retail services for pharmaceutical products. Its domicile is located at No. 88 Kaifeng Road, North District, Qingdao City, Shandong Province. As of the end of September 2023, the total asset was RMB5.364 billion and the net asset was RMB2.522 billion. It achieved revenue of RMB5.496 billion and net profit of RMB484 million in the first three quarters of 2023.

2. *Related relationship with the Bank*

Hao Xianjing, a supervisor of the Bank, also serves as a director of Qingdao Baiyang Pharmaceutical Co., Ltd., which is in line with the related relationship as set out in the provisions of Article 8 of the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*.

3. *Duty performance analysis*

The above-mentioned related party is high-quality listed company client engaged in brand operation, wholesale distribution and retail services of pharmaceutical products. Its major financial indicator is good, and the business operations in various fields are stable. It has sound duty performance ability. This related party is not a dishonest person subject to enforcement.

(XVI) Related Natural Persons

Related natural persons as provided in the provisions of the *Administrative Measures for the Information Disclosure of Listed Companies*, the *Rules Governing Listing of Shares on Shenzhen Stock Exchange*, the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions*, the *Interim Measures for the Equity Management of Commercial Banks* and other laws and regulations, and the administrative system for related party transactions of the Bank.

III. MAIN CONTENTS AND PURPOSE OF RELATED PARTY TRANSACTIONS AND THEIR IMPACT ON THE BANK

The estimated ordinary related party transactions of the Bank are mainly credit, deposit and other non-credit businesses within the normal business scope of the Bank, and the counterparties are quality customers and subsidiaries of the Bank. In accordance with the general business principles and market principles, the Bank conducts a fair review from the aspects of business pricing and guarantee

**APPENDIX V ESTIMATED AMOUNT OF THE ORDINARY RELATED
PARTY TRANSACTIONS FOR 2024**

methods, and conducts related party transactions on terms that are not superior to those of similar transactions of non-related parties. Specific transaction terms are established according to business nature, transaction amount and duration, relevant national policies and regulations and applicable industry practices. It is in line with the overall interests of the Bank and shareholders, and does not affect the independence of the Bank. The Bank's main business will not depend on the related parties for such transactions.

**SPECIAL REPORT ON RELATED PARTY TRANSACTIONS OF
BANK OF QINGDAO CO., LTD. FOR 2023**

To Shareholders:

In 2023, the Bank strictly complied with the relevant regulations of domestic and overseas regulatory authorities and stock exchanges, continuously improved related party transaction management standard and effectively prevented the risk of related party transactions. All indicators of related party transactions were controlled within the scope allowed by regulatory requirements. The related party transactions of the Bank for 2023 are reported below:

I. COMPOSITION OF THE RELATED PARTY TRANSACTIONS CONTROL COMMITTEE UNDER THE BOARD OF DIRECTORS AND CONVENING OF ANNUAL MEETING FOR 2023

The Related Party Transactions Control Committee under the Board of Directors of the Bank consists of 6 members, and the post of chairman of the committee was held by an independent Director. The proportion of independent Directors set in the committee was more than half.

In 2023, the Related Party Transactions Control Committee under the Board of Directors of the Bank held 13 meetings in total and reviewed and approved 21 resolutions and reviewed or received 3 reports, including the review on major related party transactions and the review of the quarterly report on related party transactions.

II. MANAGEMENT MEASURES FOR RELATED PARTY TRANSACTIONS FOR 2023

With an active and compliant working attitude, objective and fair working standards and high-efficient working mechanism on operation, the Bank implemented various provisions and regulatory requirements on related party transaction management in key sectors such as the management of the list of related parties and the review and approval of related party transactions to practically prevent risks on related party transactions.

Firstly, it set up the related party transactions management office. In accordance with the regulatory requirements and work needs, the Bank formally established the related party transactions management office in February 2023, which is located in the Risk Management Department of Head Office of the Bank. The office consists of the risk management department of head office of the Bank, various business line departments, the planning and finance department, the legal compliance department, the credit approval department and the Office of the Board of Directors. The related party transactions management office is responsible for leading the management of the related party transactions of the Bank, regulating the related party transactions of the Bank and preventing the risks of related party transactions; coordinating the management of related party transactions by the relevant departments and subsidiaries of the Bank, and coordinating with the relevant units in establishing and perfecting the mechanism for the management of related party transactions.

Secondly, it made amendments to the administrative measures for the related party transactions. In accordance with the *Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions* issued by the National Administration of Financial Regulation (“NAFR”) and the needs of the Bank’s management, the Bank amended and published the *Administrative Measures for the Related Party Transactions of Bank of Qingdao Co., Ltd.*, which clarified the responsibilities for the management of related party transactions of the head office, departments and branches of the Bank, and appropriately adjusted the requirements for the management and control process of the related party transactions, thus effectively controlled the risks of the related party transactions.

Thirdly, it convened meetings in respect of related party transaction management. At the end of February, a conference on the management of related party transaction was convened to interpret the new regulatory requirements, unify the thinking and clarify the key points. Based on the division of responsibilities and workflow of each department, the Bank formulated and published the *Related Party Transactions Management Work Plan of Bank of Qingdao*, set up the related party transaction management leadership team, established permanent departments, set up designated working groups, established a mechanism, clearly defined the division of labor, and coordinated each department to do a good job in related party transactions, in order to ensure the continuity of the management of related party transactions.

Fourthly, it conducted standardized management on related party transactions. Based on the organization mode with “the frontline of business reporting the required amount and the department at the head office responsible for summarization and coordination”, the Bank completed the estimation on the amount of related party transactions for 2023, and controlled the total amount of related party transactions and the amount of credit transactions was estimated to be RMB15.628 billion. In accordance with the relevant regulations of NAFR, CSRC and SZSE and the Stock Exchange, the Bank regularly solicits and identifies related parties from directors, supervisors, senior management and persons with core business approval or decision-making authority. It formulated the work report on the management of related party transactions on a quarterly basis, summarized major work on the management of related party transactions and businesses during the quarter and reported to the Related Party Transactions Control Committee under the Board of Directors. It promoted the approval procedures on the compliant performance of major related party transactions. A total of 14 major related party transactions were reviewed and approved by the Board of Directors in 2023, all of which were reported and disclosed in accordance with the regulatory requirements.

Fifthly, it organized and launched related party transactions consultation and system development projects. The Bank has organized a consulting project on related party transactions to further optimize the management mechanism of related party transactions in light of regulatory requirements and the Bank’s actual practice through the selection of a professional management consulting firm. The first phase of the Bank’s related party transaction management system has been officially launched, which has realized related party management functions such as identification and information management of related parties, stock related party alert, and management of suspected related party identification. The system has introduced external industrial and commercial data for automatic verification of related party information and automatic alerts of suspected related parties to prevent omission of reporting and misreporting, which has further improved the accuracy of related party information, and has strengthened the Bank’s ability to identify and proactively manage related parties. The Bank is in

the process of organizing the construction of the second phase of the related party transaction management system to strengthen the whole-process and detailed management of related party transactions, systematize the current offline manual management work and transfer the same online, and continue to improve the level of informatization and intelligence standard of related party transaction management.

III. APPROVAL OF RELATED PARTY TRANSACTIONS FOR 2023

In accordance with commercial principles, the Bank approved related party transactions on conditions not more favorable than those for comparable transactions with non-related parties. The terms of the transactions were fair and reasonable and in the interests of all Shareholders and the Bank as a whole. The Bank implemented the corresponding approval process and approval requirements for the related party transactions in specifications of the NAFR, the Stock Exchange, the CSRC, and the SZSE. The details are as follows:

(I) Related party transactions in specifications of NAFR

In 2023, the Bank strictly complied with regulatory requirements. It did not provide any credits to related parties using the Bank's equity as a pledge, nor did it provide guarantees for financing activities of related parties.

In respect of the approval of major related party transactions, in 2023, there were a total of 14 major related party transactions considered and approved by the Board of Directors, which were related party transactions with 11 related companies of Haier Group, 2 Guoxin Group and its related enterprises and Tsingtao Brewery Company Limited and the businesses approved were all credit-related and deposit-related with the amount of RMB2.570 billion. The major related party transactions of the Bank were reviewed by the Related Party Transactions Control Committee under the Board of Directors and submitted to the Board of Directors for approval, and reported and disclosed to the supervisory authority on a case-by-case basis within 15 business days after the signing of the transaction agreement. Independent Directors of the Bank issued written opinions on the fairness of major related party transactions and the performance of internal approval procedures.

For the approval of general related party transactions, the Bank approved general related party transactions in accordance with internal authorization procedures, disclosed general related party transactions for the current quarter by type of transaction on a consolidated basis within 30 days after the end of each quarter, and submitted the general related party transactions to the Related Party Transactions Control Committee under the Board of Directors annually for filings through making special reports on related party transactions.

(II) Related party transactions in specifications of the Stock Exchange

In 2023, the related party transactions in specifications of the Stock Exchange carried out by the Bank were exempted from submission to the Board of Directors and the general meeting for review and from external disclosure. The transactions were approved according to the internal authorization procedures of the Bank.

(III) Related party transactions in specifications of the CSRC and the SZSE

In 2023, the Bank made reasonable estimates of daily related party transactions in accordance with the relevant requirements of the CSRC and the SZSE, and the Board of Directors and the general meeting have approved and performed the procedures for external disclosure. A single related party transaction within the scope of estimates is not subject to repeated approval and disclosure in accordance with the standards of the CSRC and the SZSE; none of the related party transactions outside the scope of estimates have met the standards for submission to the Board of Directors and the general meeting for consideration and external disclosure, and such transactions have been considered and approved in accordance with the internal authorization procedures of the Bank.

IV. STATISTICS OF RELATED PARTY TRANSACTIONS AT THE END OF 2023

The statistics of the Bank's related party transactions at the end of the year was categorized into related party transactions in specifications of the NAFR, the Stock Exchange, the CSRC and the SZSE, the details of which are as follows:

(I) Related party transactions in specifications of NAFR**1. Credit related party transactions**

As of the end of 2023, the total net credit balance of the Bank's credit related party transactions in specifications of the NAFR amounted to RMB3.462 billion. The transaction interest rate or handling fee was determined based on general commercial principles and standards not more favorable than those for similar transactions with non-related parties, the details of which are as follows:

Name of Related Parties	Type of Transaction	Net Amount of Transaction ¹ (RMB100 million)	Interest Rate/ Handling Fee Rate (%)
Major related party transactions	-	27.17	-
Qingdao Haiyun Chuangzhi Business Development Co., Ltd.	Residential development loan	10.15	5.70/5.62 ²
BQD Financial Leasing Company Limited	Interbank borrowings	8.00	3.50/3.65 ²

Name of Related Parties	Type of Transaction	Net Amount of Transaction ¹ (RMB100 million)	Interest Rate/ Handling Fee Rate (%)
Haitian (BVI) International Investment Development Limited	Bond investment	3.54	7.00
Haier Financial Factoring (Chongqing) Co., Ltd.	Short-term working capital loans	2.30	4.90/4.80/4.70 ²
Qingdao Hailizhuju Technology Co., Ltd.	Supply chain financing	1.67	4.30
Qingdao Haishanghai Life Service Group Co., Ltd.	Medium-term working capital loans	0.99	6.70
Qingdao Haichen Real Estate Development Co., Ltd.	Commercial housing development loan	0.29	6.50
Qingdao No.1 Courtyard Hotel Co., Ltd.	Short-term working capital loans	0.10	3.90
Qingdao Haishanghai Commercial Operation Co., Ltd.	Short-term working capital loans	0.10	3.90
Haier Group Finance Co., Ltd.	Interbank bill credit	0.03	- ³
Qingdao Jiawa Cloud Network Technology Co., Ltd. (青島家哇雲網絡科技有限公司)	Discounted bills	0.003	2.76
General related party transactions	-	7.45	-
Total	-	34.62	-

Notes: 1. Net amount of transaction refers to the amount of the facilities balance after deducting cash related guarantees.

2. Interest rate/handling fee rate refers to the interest rate or handling fee rate applicable to the business with transaction balance at the end of the year. In respect of the loan business of Qingdao Haiyun Chuangzhi Business Development Co., Ltd., the interbank borrowing business of BQD Financial Leasing Company Limited and the loan business of Haier Financial Factoring (Chongqing) Co., Ltd., The above table sets out the different pricing interest rates for the multiple lending to related parties.

3. The facilities granted by the Bank to Haier Group Finance Co., Ltd. was for customers who hold bank acceptance bills issued by Haier Group Finance Co., Ltd. to pledge bills with the Bank. The Bank has no direct business with Haier Group Finance Co., Ltd., and the business income derived from non-related party customers who pledge bills.

In 2023, credit related party transactions mainly included interbank borrowing and loan businesses. In respect of major related party transactions, the balance of loans granted to the related parties accounted for 0.90% of total loans to customers of the Bank, and the

quality of credit facilities granted to related parties was better than the average quality of credit facilities granted by the Bank. The Bank judged that the existing credit related party transactions would have no material impact on the normal operation of the Bank.

As of the end of 2023, the related party with the Bank's largest balance of credit facilities was Qingdao Haiyun Chuangzhi Business Development Co., Ltd., with net credit facilities of RMB1.015 billion, accounting for 2.24% of the net capital as at the end of the year; the related party group with the largest balance of credit facilities was Haier Group Corporation, with net credit facilities of RMB1.562 billion, accounting for 3.45% of the net capital as at the end of the year; and the net credit facilities granted to all related parties amounted to RMB3.462 billion, accounting for 7.63% of the net capital as at the end of the year. The above proportions have not exceeded the regulatory limits.

2. *Non-credit related party transactions*

In 2023, the non-credit related party transactions in specifications of the NAFR were primarily the Bank's consignment of wealth management products issued by related parties, bond distribution transactions, and deposit business, with a total transaction amount of RMB7.218 billion throughout the year, and all of them were general related party transactions. The prices of non-credit related party transactions were determined based on general commercial principles and standards not more favorable than those for similar transactions with non-related parties.

(II) **Related party transactions in specifications of the Stock Exchange**

In 2023, the Bank's related party transactions in specifications of the Stock Exchange were related party performance titles, with a total transaction amount of RMB0.6 million during the year.

(III) **Related party transactions in specifications of the CSRC and the SZSE**

In 2023, the related party transactions of the Bank in specifications of the CSRC and the SZSE were mainly credit business on and off balance sheet such as bond investment, and non-credit business such as asset custody and deposits, of which the balance of credit business was RMB200 million and the total transaction amount of non-credit business was RMB3.386 billion.

Please consider.

**THE RESOLUTION ON CAPITAL PLANNING AND CAPITAL ADEQUACY
RATIO MANAGEMENT PLAN OF BANK OF QINGDAO CO., LTD.
FOR 2024-2026**

To Shareholders:

To further strengthen capital management, constraints and risk resistance on capital, stimulate our sustained and stable growth, and maximize Shareholders' value, the Bank has prepared the Capital Planning and Capital Adequacy Ratio Management Plan for 2024-2026 in accordance with the *Regulation Governing Capital of Commercial Banks* and other regulations and after fully considering our future development strategies and business planning.

I. SUMMARY OF CAPITAL PLAN

The Bank firmly establishes the awareness of saving capital and the concept of risk management, regards capital compliance as a prerequisite for development plans, enables capital to play an important role in preventing and resisting risks, promotes the support and guidance of capital for high-quality development, propels the establishment of the long-term capital replenishment system and achieves the coordination and unity of capital, risk, and return.

The capital plan of the Bank is closely integrated with capital regulatory requirements, future capital requirements, and capital availability. Based on the capital adequacy ratio management of the past year, the Bank takes the internal capital adequacy assessment of the Bank into account, reserves appropriate space for a capital buffer, sets reasonable capital adequacy ratio management targets, ensures that the target capital adequacy level continues to meet regulatory requirements and is adapted to business development strategy, risk appetite, risk management, and external operating environment. By prudently estimating asset quality, profit growth, and capital market volatility, and fully considering factors that may affect capital level of the Bank, the Bank calculates the Bank's capital adequacy ratio and capital surplus/deficit situation for the next three years, scientifically arranges capital replenishment plans and capital supporting management measures, and ensures that the Bank meets the needs of its sustained and stable business development.

II. CAPITAL ADEQUACY RATIO MANAGEMENT**(I) Capital adequacy ratio**

As of the end of 2023, the capital adequacy ratio of regulatory caliber of the Bank was 12.38%, representing a decrease of 0.72 percentage point from the beginning of the year; the core tier-one capital adequacy ratio was 7.91%, representing a decrease of 0.29 percentage point from the beginning of the year; the tier-one capital adequacy ratio was 9.65%, representing a decrease of 0.55 percentage point from the beginning of the year. The capital adequacy at all levels of the Bank meets regulatory requirements and the risk appetite of the Board of Directors, is in line with the current level of risk management and external operating environment, and reflects the concept of sound operations and development.

Table 1: Capital adequacy ratio at all levels in 2023

Name of indicators	Regulatory value	The Board of Directors' risk appetite for 2023	As at the end of the first quarter	As at the end of the second quarter	As at the end of the third quarter	As at the end of the fourth quarter
Core Tier-one Capital Adequacy Ratio	≥7.5%	≥7.6%	8.04%	8.23%	7.85%	7.91%
Tier-one Capital Adequacy Ratio	≥8.5%	≥9%	9.97%	10.10%	9.61%	9.65%
Capital Adequacy Ratio	≥10.5%	≥11.5%	12.80%	12.91%	12.34%	12.38%

(II) Capital

As of the end of 2023, the net capital of regulatory caliber of the Bank was RMB45.345 billion, representing an increase of RMB3.555 billion from the beginning of the year. Among them, the core tier-one net capital was RMB28.974 billion, representing an increase of RMB2.832 billion from the beginning of the year, accounting for 63.90% of the total net capital; the tier-one net capital was RMB35.369 billion, representing an increase of RMB2.832 billion from the beginning of the year, accounting for 78% of the total net capital. The net capital at all levels of the Bank has significantly increased, mainly due to factors such as profit growth, the increase in valuations, increased provisions for excess loan losses and the development characteristics of endogenous-capital driven business are obvious.

(III) Risk-weighted assets

As of the end of 2023, the total risk-weighted assets of the regulatory caliber of the Bank amounted to RMB366.417 billion, an increase of RMB47.502 billion, or 14.89%, from the beginning of the year. The Bank adhered to the call for financial industry to serve the real economy and continued to increase its credit support to the real economy, which led to an increase in risk-weighted assets, and the increase in risk-weighted assets was basically in line with the increase in assets.

III. CAPITAL ADEQUACY RATIO MANAGEMENT PLAN**(I) Main principles**

The Bank sets aside appropriate safety margins and capital buffers to balance the relationship between capital adequacy and capital return, taking into account the results of its internal capital adequacy assessment with the bottom line of meeting regulatory requirements and risk appetite on an ongoing basis. Meanwhile, the Bank sets the optimal capital adequacy ratio management target, taking into account the needs of the operating environment, business development and investors' expectations.

(II) Main considerations**1. *Ensuring that the capital levels continue to meet regulatory requirements and the risk appetites of the Board***

According to the *Administrative Measures for the Capital of Commercial Banks* (《商業銀行資本管理辦法》), the regulatory requirements for the Bank's core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.5%, 8.5% and 10.5%, respectively, and the Bank shall also accrue Pillar 2 capital requirements determined by the results of its internal capital adequacy assessment on top of the above capital requirements.

Capital adequacy ratio management target settings are also required to satisfy the annual business operating risk appetites plan of the Board.

2. *Maintaining a certain margin of safety and buffer zone*

The Bank sets reasonable capital buffers, taking into account factors such as the operating environment, business development and internal capital adequacy assessment, to enhance its ability to resist risks and facilitate the steady development of the business of the Bank, on the basis of compliance with capital adequacy ratio requirements.

3. *Enhancing efficiency in capital utilization*

The Bank will optimize its resource allocation and operation and management mechanism to balance the relationship between capital adequacy and return on capital, avoid idle capital resources, enhance the efficiency in capital utilization and improve the standard of return on capital, on the basis of the capital adequacy ratio reaching a reasonable level.

4. *Satisfying investor expectations*

In addition to the above considerations, the capital adequacy ratio targets should be set to satisfy investor expectations so as to enhance the confidence of shareholders, depositors and the public in the Bank.

(III) Capital adequacy ratio targets

Taking the above factors into consideration, the capital adequacy ratio management targets of the Bank for 2024-2026 are set as follows:

Table 2: 2024-2026 Capital Adequacy Ratio Management Targets

Capital Adequacy Ratio	2024 – 2026	
	Regulatory Requirements ¹	Targets of the Bank's Planning
Core Tier-one Capital Adequacy Ratio	≥7.5%	≥7.7%
Tier-one Capital Adequacy Ratio	≥8.5%	≥9.0%
Capital Adequacy Ratio	≥10.5%	≥11%

If there are significant fluctuations in the economic and financial situation, regulatory policy adjustments, and other significant uncertainties during the period of the plan, the Bank's capital adequacy ratio management objectives will be adjusted accordingly.

VI. CAPITAL SHORTFALL MEASUREMENT

In accordance with the Bank's strategic plans and business plan arrangements, we reasonably anticipate the incremental size of each type of risk-weighted assets and forecast the level of capital needs and supply based on factors such as the level of profitability in the business plan, the dividend policy, capital increases and dividends from subsidiaries, changes in deferred tax, and fluctuations in the capital market.

The Bank's capital adequacy ratios at all levels for the next three years will continue to meet regulatory requirements and the Board's risk appetite, and all will meet the Bank's capital adequacy ratio management objectives, with no capital shortfalls.

V. CAPITAL REPLENISHMENT PLAN

Although the Bank has not experienced any capital shortfall during the period of the plan, the Bank should still formulate a scientific and reasonable capital replenishment plan in order to cope with the possible increase in capital needs that exceeds its expectations.

The Bank's capital replenishment plan takes full account of market conditions and our actualities, balances short-term and long-term capital needs, and takes into account the availability, advantages and disadvantages of various capital replenishment channels to broaden the capital replenishment methods in a multi-level and multi-channel manner so as to optimize the capital structure, improve

¹ The regulatory requirements here do not include Pillar 2 capital requirements, which are recognized by the regulator based on the results of an internal capital adequacy assessment.

capital quality, enhance the Bank's ability to withstand risks and meet increasingly stringent capital regulatory requirements. During the period of the plan, the capital replenishment mechanism of the Bank is set out as follows:

(I) Replenishment of internally sourced capital

1. *To optimize the income structure and increase profitability*

The Bank will further consolidate the foundation for business development, and gradually optimize the business structure and income structure by focusing on scale, quality and efficiency, comprehensively consider the relationship among profitability, risk and capital consumption, and encourage the development of low-capital-consuming businesses such as medium-income; meanwhile, we will maintain effective control over unreasonable expenditures and ensure asset quality to further stimulate the potential for the growth in internally sourced capital.

2. *To implement a reasonable profit distribution policy*

While ensuring the growth of profits, the Bank rationally weighs a balance between short-term and long-term interests of shareholders, taking into full consideration the relationship between profit distribution and the consolidation of the sustainable development of the capital. In addition, we apply appropriate forms of payment in rational proportions in respect of profit distribution. All these efforts are aimed to strengthen our ability of internal build-up and further improve capability of internally sourced capital replenishment.

(II) Replenishment of externally sourced capital

On the basis of the replenishment of internally sourced capital based on profit retention, the Bank, in line with market conditions, will also seek to apply different financing channels in response to the administrative requirements in different times and set up a diversified capital replenishment mechanism. The principal externally sourced capital replenishment plan in the future is as follows:

1. *To issue convertible bonds to diversify the replenishment of core tier-one capital*

Subject to regulatory approvals, the Bank will issue convertible bonds as appropriate based on the actual needs of business development, and replenish core tier-one capital upon conversion to equity, to expand capital replenishment channels and form a diversified capital replenishment pattern.

2. *To issue tier-two capital bonds to replenish tier-two capital*

In view of the common practices of the peers in the market and the future redemption of the Bank's stock of tier-two capital bonds, in order to maintain a steady capital adequacy ratio, the Bank will issue tier-two capital bonds at the appropriate time to enhance the capital adequacy level.

VI. CAPITAL MANAGEMENT MEASURES

Looking forward, the Bank will continue to adopt a centralized development mindset, continuously refine our capital management system, strengthen capital constraints and management, optimize capital allocation and appraisal on capital performance, reinforce capital coordination and dynamic monitoring, and regularly carry out stress tests, so as to ensure the effectiveness of capital management.

(I) To improve the business structure and make efficient use of capital

The Bank will optimize its asset portfolio and steadily advance structural adjustments. The grant of credit loans will give priority to industries corresponding to national industrial policies and to small and medium-sized enterprises whose risk exposure is under control. Credit loans for high-quality enterprises will be increased to form a reasonable layout for large, medium and small customers. While growing the traditional business, the Bank will make more efforts in promoting the revenue from intermediate businesses and change the mode of profit growth within the scope of policies. In this way, we are able to realize the simultaneous development of traditional business and emerging business, and further improve the efficiency of capital utilization.

(II) To improve the capital management system and ensure the implementation of management work

With the official release of the *Administrative Measures for the Capital of Commercial Banks* (《商業銀行資本管理辦法》), the Bank has now formulated or revised a number of measures, including the *Measures for Capital Management of Bank of Qingdao Co., Ltd.* (《青島銀行資本管理辦法》) and the *Measures for Internal Capital Adequacy Assessment Procedures Management of Bank of Qingdao Co., Ltd.* (《青島銀行內部資本充足評估程序管理辦法》), to regulate the Bank's capital management-related organizational structure, work content and principles. Looking forward, the Bank will continue to improve the relevant management measures and rules in the field of capital management and continuously improve the capital management system.

(III) To improve the performance appraisal system and strengthen the appraisal of capital occupancy

The Bank has included economic capital in its bank-wide assessment by introducing indicators such as economic value added and risk-adjusted capital margin to evaluate each institution. Looking forward, the Bank will, through scientific economic capital management and appraisal of capital occupancy, continue to improve its performance appraisal system, thus effectively integrating the concept of capital and capital management into all aspects of operation and management to maximize capital gains.

(IV) To improve internal capital adequacy assessment process and enhance capital monitoring

The Bank has established a set of appraisal procedures with prudent and sound internal capital adequacy assessment process, cautiously assessed various major risks, evaluate capital adequacy level and capital quality, and formulate capital planning and capital adequacy ratio management plans. Looking forward, the Bank will continue to improve its internal capital adequacy assessment process and enhance capital monitoring to ensure that capital levels are commensurate with risk appetite and risk management levels and capital planning is in line with the Bank's operating conditions, the trend of changes in risks as well as the long-term development strategy.

(V) To strengthen stress testing and improve emergency response plans for capital management

The Bank has taken stress testing as an important part of assessment procedures of the internal capital adequacy in accordance with regulatory requirements, and has incorporated the results of the mild stress test into its Pillar Two capital requirements, as well as revising its capital management emergency response plans. Looking forward, the Bank will strengthen its stress tests and continue to improve its capital management emergency response plans to ensure that the Bank has sufficient capital level to respond to changes in adverse market conditions.

Please consider.

COMPARATIVE TABLE OF THE AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF BANK OF QINGDAO CO., LTD.

No.	The original articles	After revision (with marks)
1	<p>Article 1 For the purpose of protecting the legitimate rights and interests of Bank of Qingdao Co., Ltd. (hereinafter referred to as the “Bank”), its shareholders and creditors, and of standardizing the organization and activities of the Bank, these Articles of Association of the Bank (hereinafter referred to as the “Articles”) are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Commercial Banking Law of the People’s Republic of China (hereinafter referred to as the “Commercial Banking Law”), the Corporate Governance Standards for Banking and Insurance Institutions, the Guidance for the Articles of Listed Company, the Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Abroad, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) as well as other relevant laws, administrative regulations, departmental rules and regulatory documents.</p>	<p>Article 1 For the purpose of protecting the legitimate rights and interests of Bank of Qingdao Co., Ltd. (hereinafter referred to as the “Bank”), its shareholders and creditors, and of standardizing the organization and activities of the Bank, these Articles of Association of the Bank (hereinafter referred to as the “Articles”) are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Commercial Banking Law of the People’s Republic of China (hereinafter referred to as the “Commercial Banking Law”), the Corporate Governance Standards for Banking and Insurance Institutions, the Guidance for the Articles of Listed Company, the Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Abroad <u>the Measures for the Administration of Independent Directors of Listed Companies</u>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) as well as other relevant laws, administrative regulations, departmental rules and regulatory documents.</p>
2	<p>Article 109 The suggested list of candidates to serve as directors and supervisors shall be put forward to the shareholders’ general meeting for voting.</p> <p>When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of these Articles or the resolutions of the general meeting.</p> <p>Voting on each candidate for directors and supervisors for resolutions considering election of directors and supervisors shall be carried out at the shareholders’ general meeting. After approval at the shareholders’ general meeting, the qualifications of the directors and supervisors shall be verified by the banking regulatory authority of the State Council.</p> <p>The Board of Directors shall inform the shareholders of the resumes and basic information of candidates for director and supervisor.</p>	<p>Article 109 The suggested list of candidates to serve as directors and supervisors shall be put forward to the shareholders’ general meeting for voting.</p> <p>When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of these Articles or the resolutions of the general meeting; <u>the accumulative voting mechanism shall be adopted, when over two independent directors need to be elected. The votes of minority shareholders shall be counted separately and disclosed.</u></p> <p>Voting on each candidate for directors and supervisors for resolutions considering election of directors and supervisors shall be carried out at the shareholders’ general meeting. After approval at the shareholders’ general meeting, the qualifications of the directors and supervisors shall be verified by the banking regulatory authority of the State Council.</p> <p>The Board of Directors shall inform the shareholders of the resumes and basic information of candidates for director and supervisor.</p>

No.	The original articles	After revision (with marks)
3	<p>Article 139 The Bank shall have independent directors. Independent directors refers to directors who do not hold other positions in the Bank other than a directorship and who have no relationship with the Bank or its substantial shareholders that may affect their independent and objective judgment.</p> <p>At least one independent director of the Bank shall have appropriate professional qualifications or appropriate accounting or related financial management expertise.</p> <p>Unless otherwise provided for in this section, the provisions on directors in these Articles shall apply to independent directors.</p>	<p>Article 139 The Bank shall have independent directors. Independent directors refers to directors who do not hold other positions in the Bank other than a directorship and who have no <u>direct or indirect interest or other</u> relationship with the Bank or its substantial shareholders <u>and de facto controller</u> that may affect their independent and objective judgment.</p> <p><u>Independent directors shall perform their duties independently and shall not be influenced by the Bank, its substantial shareholders, de facto controllers and other entities or individuals.</u></p> <p>At least one independent director of the Bank shall have appropriate professional qualifications or appropriate accounting or related financial management expertise.</p> <p><u>The Board of Directors of the Bank shall include no less than one-third independent directors, including at least one accounting professional. An independent director should be an expert in law, economics, finance or accounting.</u></p> <p><u>The independent directors shall have the duty of loyalty and diligence to the Bank and all shareholders of the Bank and shall conscientiously perform their duties in accordance with the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association, play the roles of participation in decision-making, supervision and checks and balances as well as professional counseling in the Board of Directors, safeguard the interests of the Bank as a whole, and protect the legitimate interests of the minority shareholders.</u></p> <p>Unless otherwise provided for in this section, the provisions on directors in these Articles shall apply to independent directors.</p>

No.	The original articles	After revision (with marks)
4	<p>Article 140 An independent director shall attain a high professional level and have good reputation and shall meet the following criteria:</p> <p>(1) have the independency as required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association, perform the duties and responsibilities independently, without any interference by substantial shareholders or de facto controllers of the Bank, or other entities or individuals who have a material interest in the Bank;</p> <p>(2) have a bachelor's degree or above, or at least intermediate vocational titles of relevant professions;</p> <p>(3) have no less than 5 years of work experience in law, economics, finance, accounting or other experiences conducive to performing the duties and responsibilities of an independent director;</p> <p>(4) be familiar with the laws and regulations relevant to the operation and management of commercial banks;</p> <p>(5) be able to read, understand and analyse the relevant reports and financial statements of commercial banks;</p> <p>(6) have sufficient time and energy to effectively perform the duties and undertake to duly perform the duties of good faith and diligence;</p> <p>(7) other criteria required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association.</p>	<p>Article 140 An independent director shall attain a high professional level and have good reputation and shall meet the following criteria:</p> <p>(1) <u>qualified to be a director of a listed company and a commercial bank in accordance with laws, administrative regulations and other relevant provisions;</u></p> <p>(42) have the independency as required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association, perform the duties and responsibilities independently, without any interference by the Bank, <u>and</u> substantial shareholders or de facto controllers of the Bank, or other entities or individuals who have a material interest in the Bank;</p> <p>(23) have a bachelor's degree or above, or at least intermediate vocational titles of relevant professions;</p> <p>(4) <u>be familiar with relevant laws, regulations and rules, including those governing the operation and management of commercial banks;</u></p> <p>(35) have no less than 5 years of work experience in law, <u>accounting or economics, finance required by the execution of duties of independent directors;</u> accounting or other experiences conducive to performing the duties and responsibilities of an independent director;</p> <p>(46) <u>be familiar with the laws and regulations relevant to the operation and management of commercial banks have the basic knowledge of listed company operations, and be able to read, understand and analyse the relevant reports and financial statements of commercial banks; be able to apply financial and statistical statements to judge the Bank's management and risk profile.</u></p> <p>(7) understand the Bank's governance structure, the Bank's Articles of Association and the responsibilities of the Board;</p> <p>(5) be able to read, understand and analyse the relevant reports and financial statements of commercial banks;</p> <p>(8) <u>have good personal integrity and have no major breach of trust or other adverse records;</u></p>

No.	The original articles	After revision (with marks)
		<p>(69) have sufficient time and energy to effectively perform the duties and undertake to duly perform the duties of good faith and diligence;</p> <p>(710) other criteria required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association.</p>
5	Newly add	<p><u>Article 141 An accounting professional who is nominated as a candidate for independent director shall have relatively rich professional knowledge and experience in accounting and meet at least one of the following conditions:</u></p> <p>(1) <u>possess the qualification of Certified Public Accountant;</u></p> <p>(2) <u>possess a senior professional title, associate professor or above title or doctorate in accounting, auditing, or financial management;</u></p> <p>(3) <u>possess senior titles in economic management and have more than five years of full-time working experience in accounting, auditing, or financial management and other professional positions.</u></p>

No.	The original articles	After revision (with marks)
6	<p>Article 141 The qualifications of directors in these Articles of Association shall apply to independent directors. In addition, the following persons may not serve as independent directors of the Bank:</p> <p>(1) persons who hold more than 1% of the shares of the Bank or holds positions in such shareholder entities of the Bank or are among the top 10 natural person shareholders of the Bank;</p> <p>(2) persons who, at any time in the previous year, is a person described in the paragraph above;</p> <p>(3) persons who hold positions in the Bank or in enterprises under the control or de facto control of the Bank;</p> <p>(4) persons who have held positions in the Bank or in enterprises over which the Bank holds controlling interests or has de facto control in the 3 years before taking up the office;</p> <p>(5) persons who have legal, accounting, auditing, management consulting and other business connections with or an interests in, the Bank, or persons who holds positions in entities which have legal, accounting, auditing, management consulting and other business connections with or an interest in the Bank;</p> <p>(6) any other person who may be controlled or materially influenced by the Bank by any means;</p> <p>(7) persons who used to be key personnel in high-risk financial institution and there is no proof proving that such persons were not responsible for the cancellation or loss of assets of such institution;</p> <p>(8) the close relatives or persons with major social ties with the persons stated in items (1) to (6) above. The term "close relatives" means spouses, parents, children, grandparents, grandparents of spouses and siblings. "Other major social ties" means siblings, parents-in law, son-in-law, daughter-in-law, spouses of siblings, and siblings of spouses etc.;</p> <p>(9) any other person not permitted to serve as an independent director by the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association, and as determined by the relevant regulatory authorities.</p>	<p>Article 142 The qualifications of directors in these Articles of Association shall apply to independent directors. In addition, independent directors shall maintain independence, and the following persons may not serve as independent directors of the Bank:</p> <p>(1) persons who hold more than 1% of the shares of the Bank or holds positions in such shareholder entities of the Bank or are among the top 10 natural person shareholders of the Bank;</p> <p>(2) persons who, at any time in the previous year, is a person described in the paragraph above;</p> <p>(3) persons who hold positions in the Bank or in enterprises under the control or de facto control of the Bank;</p> <p>(4) persons who have held positions in the Bank or in enterprises over which the Bank holds controlling interests or has de facto control in the 3 years before taking up the office;</p> <p>(5) persons who have legal, accounting, auditing, management consulting and other business connections with or an interests in, the Bank, or persons who holds positions in entities which have legal, accounting, auditing, management consulting and other business connections with or an interest in the Bank;</p> <p>(6) any other person who may be controlled or materially influenced by the Bank by any means;</p> <p>(7) persons who used to be key personnel in high risk financial institution and there is no proof proving that such persons were not responsible for the cancellation or loss of assets of such institution;</p> <p>(8) the close relatives or persons with major social ties with the persons stated in items (1) to (6) above. The term "close relatives" means spouses, parents, children, grandparents, grandparents of spouses and siblings. "Other major social ties" means siblings, parents in law, son in law, daughter in law, spouses of siblings, and siblings of spouses etc.;</p>

No.	The original articles	After revision (with marks)
		<p>(1) <u>persons working in the Bank or its subsidiary enterprises and their close relatives and major social relations;</u></p> <p>(2) <u>natural person shareholders who hold, directly or indirectly, independently or collectively (with his/her close relatives), more than 1% of the Bank's issued shares or who are among the Bank's top ten shareholders, and their close relatives;</u></p> <p>(3) <u>shareholders who hold, directly or indirectly, more than 1% of the Bank's issued shares or persons who serve in the Bank's top five shareholders, and their close relatives;</u></p> <p>(4) <u>persons serving in the subsidiary enterprises of the Bank's substantial shareholders and their close relatives;</u></p> <p>(5) <u>persons who have significant business dealings with the Bank and its substantial shareholders or their respective subsidiaries, or who serve in units with significant business dealings and their controlling shareholders or de facto controllers;</u></p> <p>(6) <u>persons providing financial, legal, consulting and sponsorship services to the Bank and its substantial shareholders or their respective subsidiaries; persons or their close relatives serving in institutions which have business relations with the Bank with regard to legal issues, accounting, auditing, management consulting, guarantee cooperation and others or interest relations in terms of debt and debt interests, which impedes their independence of performance of duties;</u></p> <p>(7) <u>persons who have ever had the circumstances listed in items (1) to (6) within the last 12 months;</u></p> <p>(8) <u>persons who or whose close relatives serve in institutions which are unable to repay the loans to the Bank on time;</u></p> <p>(9) <u>a person who or whose close relative may be controlled or imposed significant effect by the Bank, major shareholders of the Bank and senior management of the Bank, thus impeding his/her independence in the performance of duties;</u></p>

No.	The original articles	After revision (with marks)
		<p>(910) any other person not permitted to serve as an independent director by the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association, and as determined by the relevant regulatory authorities.</p> <p><u>close relatives in this article refer to spouses, parents, children, siblings, grandparents, grandchildren; major social relations are siblings, siblings' spouses, their spouses' parents, their spouses' siblings, their children's spouses, their children's spouses' parents, etc.</u></p> <p><u>The independent directors of the Bank shall conduct an annual self-examination of independence and submit the self-examination to the Board of Directors, and the Board of Directors shall annually assess and issue a special opinion on the independence of the independent directors in office, which shall be disclosed at the same time as the annual report.</u></p>
7	Article 142 A staff member from a government authority shall not concurrently serve as an independent director of the Bank. Independent directors may only serve as an independent director in at most 5 domestic or foreign companies concurrently and may not serve as the independent director in more than 2 commercial banks concurrently. For banking or insurance institutions with a common independent director, the relevant institutions shall neither be affiliated with each other nor have conflicting interest.	Article 143 <u>Independent directors shall ensure the availability of adequate time and energy to perform the duties of an independent director effectively.</u> A staff member from a government authority shall not concurrently serve as an independent director of the Bank. Independent directors, <u>in principle, may only concurrently serve as independent directors in at most 5 domestic or foreign companies and at most 3 domestic listed companies.</u> Independent directors may not serve as the independent director in more than 2 commercial banks concurrently. For banking or insurance institutions with a common independent director, the relevant institutions shall neither be affiliated with each other nor have conflicting interest.

No.	The original articles	After revision (with marks)
8	<p>Article 143 The nomination committee of the Board of Directors, the Board of Supervisors and shareholders who individually or jointly hold 1% or more of the Bank’s total number of outstanding shares with voting rights may nominate independent directors, who shall be elected at a shareholders’ general meeting. The Shareholders who have nominated directors shall not simultaneously nominate independent directors.</p> <p>The term of service of an independent director shall be the same as other directors of the Bank, and may be re-elected and re-appointed upon the expiration of their term of office, provided that such term of office shall not be more than 6 years on an accumulative basis.</p>	<p>Article 144 The nomination committee of the Board of Directors, the Board of Supervisors and shareholders who individually or jointly hold 1% or more of the Bank’s total number of outstanding shares with voting rights may nominate independent directors, who shall be elected at a shareholders’ general meeting. The Shareholders who have nominated directors <u>and their related parties</u> shall not simultaneously nominate independent directors.</p> <p><u>An investor protection organization established by law may publicly request shareholders to entrust it to exercise the right to nominate independent directors on its behalf.</u></p> <p><u>The nominator provided for in clause (1) of these Articles of Association shall not nominate any person with whom he has an interest or any other closely related person who may influence the independent performance of his duties as a candidate for independent director.</u></p> <p>The term of service of an independent director shall be the same as other directors of the Bank, and may be re-elected and re-appointed upon the expiration of their term of office, provided that such term of office shall not be more than 6 years on an accumulative basis.</p>
9	<p>Newly add</p>	<p>Article 145 <u>Before the expiration of the term of office of an independent director, the Bank may terminate his/her office in accordance with legal procedures. Where an independent director is dismissed in advance, the Bank shall promptly disclose the specific reasons and justifications. Where an independent director has any objection, the Bank shall disclose it in a timely manner.</u></p> <p><u>Where an independent director fails to comply with the provisions of Article 142 (1) or (2) of these Articles of Association, he/she shall immediately cease to perform his/her duties and resign from his/her position. Where he/she fails to tender his/her resignation, the Board of Directors shall immediately terminate his duties in accordance with the relevant provisions after the Board of Directors knows or should have known of the occurrence of such fact.</u></p> <p><u>Where an independent director resigns or is relieved of his/her duties as a result of the circumstances set forth in above, resulting in the proportion of independent directors on the Board of Directors or its committees not complying with the provisions of these Articles of Association, or where there is an absence of accounting professionals among the independent directors, the Bank shall complete the by-election within 60 days from the date of the occurrence of the aforesaid fact.</u></p>

No.	The original articles	After revision (with marks)
10	<p>Article 144 An independent director may resign before his/her term of office expires. Prior to the approval of his/her resignation by the Board of Directors, an independent director shall continue to perform his/her duties.</p> <p>An independent director who intends to resign shall submit a written resignation to the Board of Directors and shall submit a written declaration at the recent shareholders' general meeting specifying any circumstances related to the resignation or any fact that he/she believes requires the attention of the Bank's shareholders and creditors.</p> <p>If the resignation of an independent director causes the proportion of independent directors in the Board of Directors to fall below one-third or in the absence of an accounting professional among the independent directors, the independent director shall continue to fulfill his/her duties until a new independent director takes office, except in the case of resignation and removal for loss of independence and the circumstances where a person shall not serve as a director as stipulated in the Company Law.</p>	<p>Article 146 An independent director may resign before his/her term of office expires. Prior to the approval of his/her resignation by the Board of Directors, an independent director shall continue to perform his/her duties.</p> <p>An independent director who intends to resign shall submit a written resignation to the Board of Directors and shall submit a written declaration at the recent shareholders' general meeting specifying any circumstances related to the resignation or any fact that he/she believes requires the attention of the Bank's shareholders and creditors. <u>specifying any circumstances related to the resignation or any fact that he/she believes requires the attention of the Bank's shareholders and creditors. The Bank shall disclose the reasons for and concerns about the resignation of an independent director.</u></p> <p>If the resignation of an independent director causes the proportion of independent directors in the Board meeting <u>Board of Directors or its special committees</u> to fall below one-third <u>do not comply with the provisions of these Articles of Association</u> or in the absence of an accounting professional among the independent directors, the independent director shall continue to fulfill his/her duties until a new independent director takes office, except in the case of resignation and removal for loss of independence and the circumstances where a person shall not serve as a director as stipulated in the Company Law. <u>an independent director who intends to resign shall continue to fulfill his/her duties until the date on which a new independent director is elected. The Bank shall complete the by-election within 60 days from the date of resignation of the independent director.</u></p>

No.	The original articles	After revision (with marks)
11	Newly add	<p data-bbox="882 314 1394 374"><u>Article 147 The independent directors shall perform the following duties:</u></p> <p data-bbox="882 412 1394 502">(1) <u>participate in the decision-making of the Board of Directors and express a clear opinion on the matters discussed;</u></p> <p data-bbox="882 540 1394 821">(2) <u>supervise potential material conflicts of interest between the Bank, its major shareholders, actual controllers, directors and senior management as stipulated by laws, regulations and relevant regulatory authorities, so as to ensure that the decisions of the Board of Directors are in line with the overall interests of the Bank and to protect the legitimate rights and interests of minority shareholders;</u></p> <p data-bbox="882 859 1394 983">(3) <u>provide professional and objective advice on the Bank's operation and development, and to promote the improvement of the standard of decision-making by the Board of Directors;</u></p> <p data-bbox="882 1021 1394 1110">(4) <u>other duties as stipulated in laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association.</u></p>

No.	The original articles	After revision (with marks)
12	<p>Article 145 Apart from those conferred by the Company Law, other relevant laws, administrative regulations, departmental rules, regulatory documents and these Articles, an independent director shall have the following functions and powers:</p> <ul style="list-style-type: none">(1) major related party transactions should be approved by the independent directors and submitted to the Board of Directors for discussion; and the independent directors may engage professional advisers to provide an independent financial adviser report to serve as a basis of decision before they come to a conclusion;(2) make recommendations on the appointment or replacement of external auditors;(3) propose to the Board of Directors to convene an extraordinary general meeting;(4) propose to convene a meeting of Board of Directors;(5) engage external auditors and consulting advisers independently;(6) other functions and powers as stipulated in laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association. <p>The approval by more than half of all independent directors shall be obtained for the exercising of powers under item (1) to (5); and the approval by all of independent directors shall be obtained for exercising the power under item (6).</p> <p>The consent of more than half of the independent directors shall be obtained before the matters under (1) and (2) above are submitted to the Board of Directors for discussion.</p> <p>The Bank shall disclose the relevant circumstances if any of the proposals specified in Clause 1 of this Article is not adopted or the above functions and powers cannot be exercised in a normal manner.</p> <p>If alternate provisions are stipulated by the laws, administrative regulations and the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed, those provisions shall prevail.</p>	Adjusted to Article 148

No.	The original articles	After revision (with marks)
13	Newly add	<p><u>Article 148 The independent directors exercise the following special functions and powers:</u></p> <ul style="list-style-type: none"><li data-bbox="884 412 1396 506">(1) <u>engage an independent intermediary organization to conduct audits, consultations or verifications on specific matters of the Bank;</u><li data-bbox="884 540 1396 602">(2) <u>propose to the Board of Directors to convene an extraordinary general meeting;</u><li data-bbox="884 636 1396 697">(3) <u>propose to convene a meeting of the Board of Directors;</u><li data-bbox="884 732 1396 793">(4) <u>openly solicit shareholders' rights from shareholders under the law;</u><li data-bbox="884 827 1396 921">(5) <u>Express independent opinions on matters that may jeopardize the interests of the Bank or minority shareholders;</u><li data-bbox="884 955 1396 1081">(6) <u>other functions and powers as stipulated in laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association.</u> <p><u>The approval by more than half of all independent directors shall be obtained for the exercising of powers under items (1) to (3) above.</u></p> <p><u>The Bank shall promptly disclose any exercise by an independent director of the powers and duties set out in Clause 1. In the event that the aforementioned powers and functions cannot be exercised properly, the Bank shall disclose the specific circumstances and reasons thereof.</u></p>
14	Newly add	<p><u>Article 149 In Board committees, an independent director shall perform his duties required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association. The independent directors shall attend the Board committees in person. Where an independent director is unable to attend a meeting in person for any reason, he shall peruse the meeting documents in advance, form definite opinions, and appoint another independent director in writing to attend the meeting on his behalf. When an independent director is concerned about major matters of the Bank within the scope of responsibilities of the Board committees, he may submit them to the Board committees for discussion and review in a timely manner in accordance with the procedure.</u></p>

No.	The original articles	After revision (with marks)
15	<p>Article 146 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders’ general meetings and Board meetings, and shall in particular give opinions on the following matters:</p> <p>(1) nomination, appointment and dismissal of the directors;.....</p>	<p>Article 150 <u>In addition to fulfilling the above duties,</u> independent directors shall give objective, impartial and independent opinions on the matters discussed at to shareholders’ general meetings and Board meetings, and shall in particular give opinions on the following matters:</p> <p>(1) nomination, appointment and dismissal of the directors;.....</p>
16	<p>Newly add</p>	<p><u>Article 151 The Bank regularly or irregularly convenes a meeting of all independent directors (hereinafter referred to as the “special meetings of independent directors”). The following matters shall be considered at the special meetings of independent directors:</u></p> <p>(1) <u>engage an independent intermediary organization to conduct audits, consultations or verifications on specific matters of the Bank;</u></p> <p>(2) <u>propose to the Board of Directors to convene an extraordinary general meeting;</u></p> <p>(3) <u>propose to convene a meeting of the Board of Directors;</u></p> <p>(4) <u>related party transactions that should be disclosed;</u></p> <p>(5) <u>options for the Bank and related parties to change or waive their commitments;</u></p> <p>(6) <u>the decisions made and actions adopted by the Board of Directors in relation to the acquisition at the time of the acquisition;</u></p> <p>(7) <u>other matters as stipulated in laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association.</u></p> <p><u>The special meetings of independent directors may study and discuss other matters as necessary.</u></p> <p><u>The special meetings of independent directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; in the event that the convenor is not performing his or her duties or is unable to perform his or her duties, two or more independent directors may convene their own meeting and elect a representative to chair the meeting.</u></p> <p><u>The Bank shall facilitate and support the convening of the special meetings of independent directors.</u></p>

No.	The original articles	After revision (with marks)
17	<p>Article 147 To ensure the effective performance of duties and powers by independent directors, the Bank shall provide the following necessary conditions for independent directors:</p> <p>(1) the Bank shall ensure that the independent directors have the same right to information as other directors, provide the independent directors with necessary information for their participation of decision-making in a timely and complete manner;</p> <p>(2) the Bank shall provide the necessary support to the independent directors in the performance of their duties;</p> <p>(3) the relevant personnel of the Bank shall cooperate positively and shall not refuse to act, hinder or conceal anything and shall not interfere with the independent exercise of the independent directors' powers and duties;</p> <p>(4) the reasonable expenses incurred from engaging intermediaries and other reasonable costs incurred by independent directors for their performance of duties shall be borne by the Bank.</p>	<p>Article 152 To ensure the effective performance of duties and powers by independent directors, the Bank shall provide the following necessary conditions for independent directors:</p> <p>(1) The Bank shall provide the necessary working conditions <u>and personnel support</u> to the independent directors in the performance of their duties, <u>and designate the office of the Board of Directors, the secretary of the Board of Directors and other specialized departments and personnel to assist independent directors in performing their duties.</u> <u>The secretary of the Board of Directors shall ensure the good information flow between the independent directors and other directors, senior management and other relevant personnel, and ensure that the independent directors have access to adequate resources and necessary professional advice when performing their duties;</u></p> <p>(2) the Bank shall ensure that the independent directors have the same right to information as other directors, provide the independent directors with necessary information for their participation of decision-making in a timely and complete manner; <u>In order to ensure the effective exercise of the independent directors' powers and functions, the Bank shall keep the independent directors informed of the Bank's operations on a regular basis, provide them with information, and organize or cooperate with them in conducting on-site inspections. The Bank may organize independent directors to participate in research and discussion sessions before the Board of Directors scrutinizes on major and complicated matters, so as to fully listen to the views of independent directors and provide timely feedback to independent directors on the adoption of their views;</u></p>

No.	The original articles	After revision (with marks)
		<p>(23) <u>The Bank shall give notice of Board of Directors meetings to the independent directors in a timely manner, provide relevant meeting information no later than the deadline for notice of Board of Directors meetings stipulated in laws, administrative regulations, departmental rules, regulatory documents and these Articles of Association, and provide the independent directors with an effective communication channel; where Board committees convene a meeting, the Bank shall, in principle, provide the relevant information no later than 3 days prior to the convening of the Board committees. The Bank shall keep the above meeting information permanently. If two or more independent directors consider that the materials for a meeting are incomplete, insufficiently argued or not provided in a timely manner, they may propose in writing to the Board of Directors to delay the convening of the meeting or delay the deliberation of the matter, and the Board of Directors shall adopt such proposal. Meetings of the Board of Directors and its committees are held on-site in principle. Under the premise of ensuring that all directors participating in the meeting can fully communicate and express their opinions, the meeting may be convened by video, telephone or other means in accordance with the procedures when necessary;</u></p> <p>(34) <u>the relevant personnel of the Bank shall cooperate positively and shall not refuse to act, hinder or conceal anything relevant information and shall not interfere with the independent exercise of the independent directors' powers and duties. Where an independent director encounters obstacles in exercising his functions and powers according to law, he may explain the situation to the Board of Directors, request the director, senior management and other relevant personnel to cooperate, and record the specific circumstances and solutions of the obstacles in his work records; if the obstacles still cannot be removed, they can report to the relevant regulatory authorities. Where the performance of duties by an independent director involves information that should be disclosed, the Bank shall handle the disclosure in a timely manner; in the event that the Bank does not disclose such information, the independent director may directly apply for disclosure or report the same to the relevant supervisory authority;</u></p>

No.	The original articles	After revision (with marks)
		(5) The Bank bears the expenses incurred by the independent directors in engaging professional organizations and exercising other duties and responsibilities. <u>The Bank shall provide independent directors with allowances appropriate to their responsibilities. The criteria for the allowance should be formulated by the Board of Directors and approved by the shareholders' general meeting, and disclosed in the Bank's annual report. Except for the above allowances, independent directors shall not obtain other benefits from the Bank and its major shareholders, de facto controllers, or interested entities and personnel.</u>
18	<p>Article 149 An independent Director shall not work in the Bank for less than 15 working days per year.</p> <p>Independent Director may entrust other independent Directors to attend the meetings of the Board of Directors, however, independent Director shall attend in person no less than two-thirds of the meetings of the Board of Directors convened during a year.</p>	Adjusted to Article 154
19	Newly add	<p><u>Article 154</u> An independent director shall not work in the Bank onsite for less than 15 working days per year. <u>Independent directors appointed as a person-in-charge for the Audit Committee, Risk Management and Consumer Rights Protection Committee and Related Party Transactions Control Committee shall work in the Bank no less than 20 working days each year.</u></p> <p>Independent Director may entrust other independent Directors to attend the meetings of the Board of Directors, however, independent Director shall attend in person no less than two-thirds of the meetings of the Board of Directors convened during a year.</p> <p><u>Except for attending the shareholders' general meetings, the Board of Directors and its special committees, and the special meetings of independent directors as required, independent directors may perform their duties by regularly obtaining information about the Bank's operations, listening to reports from the management, communicating with the head of the internal audit institution and the accounting firm that undertakes the audit business of the Bank and other intermediaries, conducting field visits, and communicating with minority shareholders and others.</u></p>

No.	The original articles	After revision (with marks)
20	Newly add	<u>Article 155 The Bank improves the communication mechanism between independent directors and minority shareholders, and the independent directors of the Bank may promptly verify with the Bank any questions raised by investors.</u>

Note: As a result of Article added, numbering of the original Articles of the Articles of Association has been adjusted and hence those cross-referenced Articles have been adjusted accordingly, which are not showed separately

**COMPARATIVE TABLE OF THE AMENDMENTS TO THE RULES OF
PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING OF BANK OF
QINGDAO CO., LTD**

No.	The original articles	After revision (with marks)
1	<p>Article 64 The suggested list of candidates to serve as directors and supervisors shall be put forward to the shareholders' general meeting for voting.</p> <p>When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of these Articles or the resolutions of the general meeting.</p> <p>Voting on each candidate for directors and supervisors for resolutions considering election of directors and supervisors shall be carried out at the shareholders' general meeting. After approval at the shareholders' general meeting, the qualifications of the directors and supervisors shall be verified by the banking regulatory authority of the State Council.</p> <p>The Board of Directors shall inform the shareholders of the resumes and basic information of candidates for director and supervisor.</p>	<p>Article 64 The suggested list of candidates to serve as directors and supervisors shall be put forward to the shareholders' general meeting for voting.</p> <p>When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of these Articles or the resolutions of the general meeting; <u>the accumulative voting mechanism shall be adopted, when over two independent directors need to be elected. The votes of small and medium shareholders shall be counted separately and disclosed.</u></p> <p>Voting on each candidate for directors and supervisors for resolutions considering election of directors and supervisors shall be carried out at the shareholders' general meeting. After approval at the shareholders' general meeting, the qualifications of the directors and supervisors shall be verified by the banking regulatory authority of the State Council.</p> <p>The Board of Directors shall inform the shareholders of the resumes and basic information of candidates for director and supervisor.</p>

**COMPARATIVE TABLE OF THE AMENDMENTS TO THE RULES OF
PROCEDURE OF THE BOARD OF DIRECTORS OF BANK OF QINGDAO
CO., LTD.**

No.	The original articles	After revision (with marks)
1	<p>Article 1 For the purpose of standardizing the methods and procedures of meetings of the Board of Directors of Bank of Qingdao Co., Ltd. (hereinafter referred to as the “Bank”), enhancing efficiency of the meetings, and protecting the Board of Directors to exercise its functions and powers legally on an independent, standard and effective basis, these rules (hereinafter referred to as the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the people’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies, the Code of Corporate Governance for Listed Companies, the Mandatory Provisions for Articles of Association of Companies Listing Abroad, the Rules Governing Listing of Stocks on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and the Corporate Governance Standards of Banking and Insurance Institutions, as well as other relevant laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association of Bank of Qingdao Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>	<p>Article 1 For the purpose of standardizing the methods and procedures of meetings of the Board of Directors of Bank of Qingdao Co., Ltd. (hereinafter referred to as the “Bank”), enhancing efficiency of the meetings, and protecting the Board of Directors to exercise its functions and powers legally on an independent, standard and effective basis, these rules (hereinafter referred to as the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the people’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies, <u>the Measures for the Administration of Independent Directors of Listed Companies,</u> the Code of Corporate Governance for Listed Companies, the Mandatory Provisions for Articles of Association of Companies Listing Abroad, the Rules Governing Listing of Stocks on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and the Corporate Governance Standards of Banking and Insurance Institutions, as well as other relevant laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association of Bank of Qingdao Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>
2	<p>Article 3 The Board of Directors shall be composed of 5 to 19 directors of which the independent directors shall account for one-third or more of the total number of directors, and the total number of independent directors shall not be less than 3.</p>	<p>Article 3 The Board of Directors shall be composed of 5 to 19 directors of which the independent directors shall account for one-third or more of the total number of directors, and the total number of independent directors shall not be less than 3, <u>among which at least one of them shall be an accounting professional.</u></p>

DETAILS OF THE PROPOSED AMENDMENTS TO
THE RULES OF PROCEDURE OF THE BOARD OF
DIRECTORS

No.	The original articles	After revision (with marks)
3	<p>Article 17 The major responsibilities of the Related Party Transactions Control Committee are as follows:</p> <ul style="list-style-type: none">(1) confirm related parties of the Bank according to the relevant laws and regulations, and collect and collate a list and information of the Bank’s related parties;(2) discuss and approve the related party transactions within the scope authorized by the Board; review the related party transactions which require discussion and approval at the Board and shareholders’ general meeting, and report to the Board in respect thereof;(3) inspect and supervise the Bank’s control of related party transactions and the implementation of the related party transactions control systems by the Bank’s directors, senior management and related parties, and report to the Board in respect thereof;(4) perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, Bank Articles and as authorized by the Board.	<p>Article 17 The major responsibilities of the Related Party Transactions Control Committee are as follows:</p> <ul style="list-style-type: none">(1) confirm related parties of the Bank according to the relevant laws and regulations, and collect and collate a list and information of the Bank’s related parties;(2) discuss and approve the related party transactions within the scope authorized by the Board; review the related party transactions which require discussion and approval at the Board and shareholders’ general meeting, and report to the Board in respect thereof;(3) inspect and supervise the Bank’s control of related party transactions and the implementation of the related party transactions control systems by the Bank’s directors, senior management and related parties, and report to the Board in respect thereof;(4) perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, Bank Articles and as authorized by the Board.
4	Newly add	<p><u>Article 24 In Board committees, a director shall perform his duties required by the laws, administrative regulations, departmental rules, regulatory documents and Bank Articles. The independent directors shall attend the Board committees in person. Where an independent director is unable to attend a meeting in person for any reason, he shall peruse the meeting documents in advance, form definite opinions, and appoint another independent director in writing to attend the meeting on his behalf. When an independent director is concerned about major matters of the Bank within the scope of responsibilities of the Board committees, he may submit them to the Board committees for discussion and review in a timely manner in accordance with the procedure.</u></p>

DETAILS OF THE PROPOSED AMENDMENTS TO
THE RULES OF PROCEDURE OF THE BOARD OF
DIRECTORS

No.	The original articles	After revision (with marks)
5	<p>Article 26 The meetings of the Board of Directors are divided into regular meetings and extraordinary meetings. The Board of Directors shall hold meeting when necessary and hold regular meetings at least 4 times annually and once quarterly.</p> <p>The Board shall accept the supervision of the Supervisory Committee and shall not prevent or hinder the Supervisory Committee from proceeding with inspection and auditing in accordance with its duties and powers.</p>	<p>Article 27 The meetings of the Board of Directors are divided into regular meetings and extraordinary meetings. The Board of Directors shall hold meeting when necessary and hold regular meetings at least 4 times annually and once quarterly.</p> <p><u>The chairman shall convene regular Board meetings. Notices of Board meetings shall be sent to all directors and supervisors in writing at least 14 days before the meeting.</u></p> <p>The Board shall accept the supervision of the Supervisory Committee and shall not prevent or hinder the Supervisory Committee from proceeding with inspection and auditing in accordance with its duties and powers.</p>
6	<p>Article 48 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters:</p> <p>(1) nomination, appointment and dismissal of the directors;</p>	<p>Article 49 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions to shareholders' general meetings and Board meetings on the following matters:</p> <p>(1) nomination, appointment and dismissal of the directors;</p>

APPENDIX XI AMENDED PLAN ON AUTHORISATION TO THE BOARD GRANTED BY THE GENERAL MEETING

PLAN ON AUTHORISATION TO THE BOARD GRANTED BY THE GENERAL MEETING OF BANK OF QINGDAO CO., LTD.

Pursuant to relevant laws and regulations such as the *Company Law of the People's Republic of China* and the requirements of the *Articles of Association of Bank of Qingdao Co., Ltd.* (hereinafter referred to as the "Articles of Association"), the Plan on Authorisation to the Board Granted by the General Meeting is as follows:

I. AUTHORISATION

(I) Equity Investment Matters

Any single external equity investment (including investment establishment, shareholding, acquisition and capital increase) with an investment amount not exceeding 15% of net assets of the Bank shall be considered and approved by the Board.

(II) Assets Purchase

1. Purchase of fixed assets (including construction in progress, the same hereinafter) with a single purchase amount not exceeding 5% of net assets of the Bank shall be considered and approved by the Board;
2. Purchase of other assets with a single purchase amount not exceeding 5% of net assets of the Bank shall be considered and approved by the Board.

(III) Assets Disposal

1. For any single equity assets disposal with the net carrying value not exceeding 5% of net assets of the Bank, it shall be considered and approved by the Board;
2. For disposal of fixed assets with the single net carrying value not exceeding 2.5% of net assets of the Bank and where the aggregate amount of the expected value for the proposed disposal of fixed assets and the proceeds from the disposal of fixed assets completed within 4 months immediately preceding that disposal do not exceed 33% of the value of fixed assets as shown in the latest audited balance sheet in the consolidated statements of the Bank, it shall be considered and approved by the Board;
3. For disposal of credit assets, it shall be considered and approved by the Board;
4. For disposal of non-credit assets other than those listed above, it shall be considered and approved by the Board;

APPENDIX XI AMENDED PLAN ON AUTHORISATION TO THE BOARD GRANTED BY THE GENERAL MEETING

Disposal referred to the above includes sales, transfer, replacement, reorganizations, debt repayment in kind, debt-to-equity swaps, and principal and interest and penalty reductions, also includes the disposal of interests in such assets, but excludes the provision of guarantees with assets.

(IV) Assets Write-offs

1. Any single equity assets write-offs with net carrying amount not exceeding 1% of net assets of the Bank shall be considered and approved by the Board;
2. Any single fixed assets write-offs with net carrying amount not exceeding 1% of net assets of the Bank shall be considered and approved by the Board.
3. Any write-offs for credit and other non-credit assets shall be considered and approved by the Board.

(V) External Asset Mortgages and Other Non-Commercial Banking Guarantees

External asset mortgages and other non-commercial banking guarantees with the principal amount of a single guaranteed claim not exceeding RMB1 billion shall be considered and approved by the Board; except the following external asset mortgages and other non-commercial banking guarantees shall be submitted to the general meeting for consideration and approval:

1. Any guarantee provided by the Bank or its holding subsidiaries for third parties after the total guaranteed amount has exceeded 50% of net assets of the Bank;
2. Any guarantee provided by the Bank or its holding subsidiaries for third parties after the total guaranteed amount has exceeded 30% of net assets of the Bank;
3. Guarantees which guaranteed amount, when calculated on an accumulation basis within last twelve months, exceed 30% of the total assets of the Bank;
4. Guarantees provided for an entity whose debt-to-asset ratio exceeds 70% as shown in the data of the latest financial statements;
5. Guarantees for which the amount of a single guarantee exceeds 10% of net assets of the Bank;
6. Guarantees provided for shareholders, de facto controllers and their associates.

(VI) Litigations or Arbitrations

The litigations and arbitrations involved by the Bank shall be considered and approved by the Board.

APPENDIX XI AMENDED PLAN ON AUTHORISATION TO THE BOARD GRANTED BY THE GENERAL MEETING

(VII) External Donations

1. Any single external donation (including charity donations and commercial sponsorship, etc.) with expenses not exceeding RMB8 million and total expenses for the year not exceeding RMB20 million shall be considered and approved by the Board;
2. Any external donations of assistance for sudden and material incidents in a region exceeding the above limit shall be considered and approved by the Board.

(VIII) Significant Events of Legal Entities

For legal entities solely or jointly invested by the Bank onshore and offshore (including banks, non-bank institutions or companies with individual legal person status), matters which require the Bank, as the Shareholder, to exercise its voting rights or decision rights of those legal entities shall be considered and approved by the Bank. For those involving investment limits, it shall be implemented in accordance with the right of consideration and approval for equity investment as set out in this plan on authorisation.

(IX) Other Operation and Management

Apart from matters expressly stipulated to be decided by the general meeting in the Articles of Association, the Rules of Procedures of the General Meeting and the Rules of Procedures of the Board of Directors, other authorities of operation, management and decision making shall be exercised by the Board and senior management in accordance with relevant requirements, resolutions of general meetings and resolutions of board meetings.

II. AUTHORISATION TERM

This plan on authorisation becomes effective from the date of approval by the general meeting until the passing of new plan on authorisation by the general meeting.

III. OTHERS

- (1) Within the scope of authorities involving in this plan on authorisation, the Board may, based on actual needs and in compliance with laws, delegate all or part of the authorities granted by the general meeting in this plan to the chairman of the Board, specialised committee(s) under the Board, the president of the Bank and other institutions or personnel.
- (2) The general meeting may, according to actual circumstance, supplement or adjust relevant authorisations by the way of resolution(s) of the general meeting, or grant other specific authorisations to the Board in addition to this plan on authorisation. In case there is any conflict between various specific authorisation(s) granted to the Board by the general meeting before this plan on authorisation becomes effective, this plan on authorisation shall prevail.

**APPENDIX XI AMENDED PLAN ON AUTHORISATION TO THE BOARD
GRANTED BY THE GENERAL MEETING**

- (3) For matters authorised to be considered and approved by the Board under this plan, if laws and regulations, governance documents such as the Articles of Association or requirements of regulatory institutions require the consideration by the general meeting, they shall still be submitted to the general meeting of the Bank for consideration and approval.

APPENDIX XI AMENDED PLAN ON AUTHORISATION TO THE BOARD GRANTED BY THE GENERAL MEETING

Notes:

1. The currency used in this plan on authorisation is Renminbi, including foreign currencies of equivalent value.
2. The term “exceeding” in this plan on authorisation does not include the number which precedes it, while the term “not exceeding” includes the number which precedes it.
3. The “net assets”, “total assets”, “net capital” in this plan on authorisation represent the latest audited net assets, total assets and net capital of the Bank in the consolidation of financial statements.
4. The “other assets” in this plan on authorisation represent the assets other than fixed assets, equity assets, credit assets, and other assets related to financial investments.
5. The “other non-credit assets” in this plan on authorisation represent the assets other than fixed assets, equity assets and credit assets.
6. The “net carrying amount” in this plan on authorisation represents the book balance of an asset less depreciation or amortisation.
7. The “carrying amount” in this plan on authorisation represents the book balance of an asset, less depreciation or amortisation, less impairment of the asset.
8. In case of inconsistency in financial statements prepared by the Bank based on the accounting standards for business enterprises of the People’s Republic of China and International Financial Reporting Standards or the accounting standards of foreign place of listing and data under various accounting standards, the lower one shall prevail.

**EVALUATION REPORT ON THE PERFORMANCE OF DUTIES
BY THE BOARD OF DIRECTORS AND DIRECTORS OF
BANK OF QINGDAO CO., LTD. FOR 2023**

To Shareholders:

The Board of Supervisors of the Bank conducted supervision and evaluation of the performance of duties by the Board of Directors and Directors for 2023 in accordance with the *Code of Corporate Governance for Banking and Insurance Institutions*, the *Provisional Measures for the Evaluation of Performance of Duties by Directors and Supervisors of Banking and Insurance Institutions*, the *Guidelines on the Work of the Board of Supervisors of Commercial Banks*, and the *Articles of Association of Bank of Qingdao Co., Ltd.* (hereinafter referred to as the “**Articles of Association**”) and *Measures on Evaluation of Performance of Duties by the Board of Directors and Directors of Bank of Qingdao Co., Ltd.* The evaluation report is hereby made as follows :

I. EVALUATION OF THE PERFORMANCE OF DUTIES BY THE BOARD OF DIRECTORS

(I) The performance of the Board of Directors in corporate governance, strategic management, capital management, risk management, internal control, remuneration management, information disclosure and balance sheet management

1. In terms of corporate governance, in 2023, the Board of Directors of the Bank led the system construction with party building, continued to deepen the organic integration of Party leadership and corporate governance, actively responded to and implemented the requirements of regulators at all levels, and made every effort to improve the efficiency of corporate governance. During the year, the Board of Directors guided the administrative organs to complete the amendments of important corporate governance system documents in high quality, including the *Articles of Association*, the procedure rules of three meetings, and the working rules of special committees of the Board of Directors, and continued to improve the governance system with the articles of association as the core, rules of procedure as the basis, and complementary systems as the support. The Board of Directors continued to standardize the shareholder equity management, regularly carried out major shareholder evaluation, and cultivated a compliant shareholder culture. The special committees of the Board of Directors focused on the strategic objectives of the bank and respective functions, conducted preliminary discussions on important issues such as related party transactions, risk management, strategic planning and internal control, effectively performed the duties entrusted by the *Articles of Association*, and give full play to the advisory and decision-making support role of the special committees.
2. In terms of strategic management, the Board of Directors always adheres to strategic drive and strengthens strategic management. On the basis of considering and approving the strategic plan for 2023-2025, the Board of Directors regularly receive the reports on the implementation of the strategic plan and the work report of the President, firmly grasps the vision and objectives of the new three-year strategic plan, and supervises

**APPENDIX XII EVALUATION REPORT ON THE PERFORMANCE OF DUTIES
BY THE BOARD OF DIRECTORS AND DIRECTORS FOR 2023**

detailed implementation measures. The Board of Directors supports the management to carry out their work in accordance with the business guiding ideology of “consolidating the strength and making up for the weakness, serving the real economy, governing the risks and standardizing the management”, and guide the management to orderly promote the implementation of the strategic plan.

3. In terms of capital management, the Board of Directors effectively performed its capital management duties and strengthened the concept of capital restraints. During the year, the Board of Directors regularly reviewed and approved the Internal Evaluation Report on the Capital Adequacy, debt quality management report and other proposals to supervise the effectiveness of the Bank’s capital management, guide the management to actively optimize capital allocation and business structure, firmly follow the path of light capital development, and realize the balanced development of business growth, value return and capital consumption through reasonable management of the asset structure.
4. In terms of risk management, in 2023, the Board of Directors adhered to the concept of prudent risk, fully considered the balance of revenue, capital and risk, and formulated the *2023 Business Operation Risk Preference Plan of Bank of Qingdao Co., Ltd.* to put forward clear policy guidance and risk level requirements for the risk management of various businesses of the Bank. Regularly reviewed various management reports such as comprehensive credit risk, market risk, compliance risk, data governance, liquidity risk management and stress testing, prudently evaluated the Bank’s risk management status and the effectiveness of work measures, and put forward key work requirements and guidance suggestions for risk management. The Board of Directors supported the management to continuously strengthen comprehensive risk management, established a comprehensive risk management committee, and established a regular comprehensive risk monitoring mechanism. As of the end of 2023, the Bank’s main risk monitoring indicators met regulatory requirements, asset quality was stable and good, and no major risk events occurred during the period.
5. In terms of internal control, the Board of Directors continued to promote the sound and effective implementation of internal control, and guided the management to build a scientific and standardized internal control compliance management system with perfect governance, comprehensive coverage and efficient operation. During the year, the annual internal control evaluation report was considered and approved to evaluate the overall situation of the Bank’s internal control, received regulatory notifications and rectification reports, internal audit work reports, reviewed management proposals, special audit reports and rectification reports, understood the opinions of regulators, internal and external auditors on the Bank’s internal control, and promoted the rectification and implementation of related issues. As of the end of 2023, there were no significant cases of non-compliance in the Bank.

**APPENDIX XII EVALUATION REPORT ON THE PERFORMANCE OF DUTIES
BY THE BOARD OF DIRECTORS AND DIRECTORS FOR 2023**

6. In terms of remuneration management, during the year, the Board of Directors considered and approved the proposal on the annual total bonus for employees and performance bonus of senior management, reasonably determined the performance of executives and the total performance of the bank, guided the management to continuously improve the performance appraisal system, and ensured that the incentive mechanism gave full play to the role of benign guidance and incentive restraint.
7. In terms of information disclosure, the Board of Directors has always adhered to the concept of “understanding investors, respecting investors, protecting investors and rewarding investors”, conducted information disclosure in accordance with laws and regulations, prepared and disclosed annual and interim reports and performance announcements, etc. During the year, the Bank issued a total of 250 periodic reports and interim announcements on the Stock Exchange and the Shenzhen Stock Exchange, of which 125 were issued on the Shenzhen Stock Exchange, 125 on the Stock Exchange, and there have been no inquiries or penalties by regulators for information disclosure compliance issues. In the annual information disclosure assessment issued by the Shenzhen Stock Exchange, the Bank was awarded grade “A”, the highest rating in the industry, for the third consecutive years.
8. In terms of Consolidated Financial Statements Management, the Board of Directors regularly reviewed the group’s management work report of consolidated financial statements and urged the senior management to implement consolidated financial statements management responsibilities in accordance with policies and regulations. The Board of Directors supported the senior management in formulating the work plan for improving the consolidated financial statements management efficiency of the Group, further standardized and strengthened the consolidated financial statements management work of the Group, optimized the management synergy between the Bank and its subsidiaries, and promoted the management efficiency improvement and long-term steady development of the Group.

(II) Evaluation from the Board of Supervisors

In summary, the Board of Supervisors believes that in 2023, the Board of Directors of the Bank was able to perform its duties in accordance with laws and regulations and the Articles of Association, carried out various work in accordance with law and compliance, diligence and due diligence, and the composition and establishment of the Board of Directors and its special committees were in line with relevant provisions. The Board of Directors continued to pay attention to the Bank’s strategic management, capital management, risk management, internal control compliance management, remuneration management, information disclosure and other key works, gave full play to the role of the Board of Directors in “formulating strategies, making decisions and preventing risks”, paid high attention to anti-money laundering risk, liquidity risk, reputation risk management, promoted the protection of consumer rights and interests to deepen and improve the level of data governance. The Board of Directors fully guaranteed the effective operation of the Bank’s corporate governance.

(III) Recommendations of the Board of Supervisors

The year 2024 is a key year for the full implementation of the spirit of the Party's 20 National Congress, an important year for the implementation of the "14th Five-Year Plan", and a tough year for the Bank's new three-year strategic plan. It is recommended that the Board of Directors shall be guided by Xi Jinping's thoughts on socialism with Chinese characteristics in the new era, fully implement the decisions and deployments of the Central Government, the Provincial Party Committee and the Municipal Party Committee, diligently perform its duties, strengthen its scientific decision-making capability and continue to strengthen its situation research and judgement, continuously improve its core competitiveness, further enhance its corporate governance level. It also shall pay close attention to the status of risk compliance and internal control of the Bank, actively practise its social responsibilities, and guides and promotes the steady development of the Bank's work while effectively safeguarding the legitimate rights and interests of shareholders and stakeholders.

II. EVALUATION OF THE PERFORMANCE OF DUTIES BY DIRECTORS AND RECOMMENDATIONS THEREON

(I) Evaluation from the Board of Supervisors

Based on the daily supervision records of the Board of Supervisors, the Directors' self-evaluation of the performance of their duties, the regulatory opinions of the Qingdao Bureau of National Financial Regulatory Administration, and the special report of the external audit institution, the Board of Supervisors evaluated the performance of the Bank's Directors for 2023 as follows:

1. *The "five dimensions" of Directors of the Bank*

(1) *Fulfilling the duty of loyalty*

The Directors of the Bank were able to act in the best interest of the Bank, perform their duties of loyalty, keep the Bank's secrets strictly, pay close attention to matters that may harm the Bank's interests, report to the Board of Directors in a timely manner, and promote the correction of problems.

(2) *Fulfilling the duty of care*

The Directors of the Bank were able to devote time and energy effectively to the participation in the Bank's affairs, keeping abreast of the operating management and risk status, attending the meetings of the Board of Directors and its special committees as required, and carefully studying and making prudent judgments on matters submitted to the Board of Directors for consideration.

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BY THE BOARD OF DIRECTORS AND DIRECTORS FOR 2023**

(3) *Professionalism in performance of duties*

The Directors of the Bank all possessed sound professional education background and rich experience in economy and finance, and were able to continuously improve their professional level, study and put forward scientific and reasonable opinions and recommendations based on the position of the Board of Directors' duties and responsibilities while combining their professional knowledge, industry experience, and work experience, so as to promote scientific decision-making by the Board of Directors.

(4) *Independence and moral standards in performance of duties*

The Directors of the Bank were able to adhere to a high standard of professional conduct and perform their duties independently and autonomously, so as to promote the Bank to treat all Shareholders fairly, safeguard the legitimate rights and interests of stakeholders, and actively perform social responsibilities.

(5) *Compliance in performance of duties*

The Directors of the Bank were able to comply with laws and regulations, regulatory requirements and the Bank's Articles of Association, continuously regulate their performance of duties, perform their duties in compliance with the law, and promote and supervise the Bank's law-abiding and compliant operation.

2. *Performance of duties by Directors of various categories*

The executive Directors were able to earnestly implement the resolutions of the Board of Directors and the General Meeting of Shareholders in accordance with the provisions of the *Articles of Association*, diligently perform their operating business management duties, implement the system of reporting by the senior management to the Board of Directors, support other members of the Board of Directors to fully understand the Bank's operating business management and risk information, and promote the effective implementation of the Board of Directors' resolutions and timely feedback.

The non-executive Directors were able to make a balance between the short-term interests and long-term interests and make good communications between the Bank and its Shareholders without putting the Shareholders own interests above those of the Bank and other Shareholders, and support the Bank in adhering to compliance operations, improve the overall risk management level and promote the optimization and improvement of various operations and management.

The independent Directors were free from the influence of substantial shareholders, senior management and other entities and individuals that have interests in the Bank, maintained independence when performing their duties, actively attended meetings and

**APPENDIX XII EVALUATION REPORT ON THE PERFORMANCE OF DUTIES
BY THE BOARD OF DIRECTORS AND DIRECTORS FOR 2023**

participated in surveys, fully understood the Bank's operation, expressed independent opinions on relevant major issues and attached great importance to the protection of the legitimate rights and interests of minority shareholders and other stakeholders.

The chairpersons of the special committees of the Board of Directors were able to preside over the meetings of the respective special committees, deliberate on the matters within the terms of reference and issue professional opinions for the reference of the Board of Directors in making decisions in accordance with the requirements of the working rules of the special committee, so as to promote the scientific and efficient decision-making of the Board of Directors.

To sum up, the Board of Supervisors is of the opinion that the performance evaluation results of the Directors of the Bank for 2023 were all competent.

(II) Recommendations of the Board of Supervisors

In 2024, facing the complex operating environment and strict regulatory environment, the Board of Supervisors recommends that the Directors of the Bank consciously comply with all laws and regulations, honestly and faithfully exercise their rights under the Articles of Association, and conscientiously and diligently fulfill their obligations as Directors; that the Directors continue to make use of their rich professional knowledge and management experience, turn their professional strengths into consultation and decision-making results, and put forward valuable opinions and suggestions for the development of the Bank, so as to continuously improve the level of corporate governance of the Bank; that the Directors proactively understand the Bank's overall business development to promote the Bank's compliance with laws and regulations and the high-quality development of all business activities.

This report is hereby given.

**BANK OF QINGDAO CO., LTD.
EVALUATION REPORT ON THE PERFORMANCE OF DUTIES BY THE
SUPERVISORS FOR 2023**

To Shareholders:

The Board of Supervisors of the Bank conducted supervision and evaluation of the performance of duties by the Supervisors for 2023 in accordance with the *Corporate Governance Guidelines for Banking and Insurance Institutions*, the *Evaluation Measures for the Performance of Directors and Supervisors of Banking and Insurance Institutions (Trial)*, the *Guidelines for the Work of the Board of Supervisors of Commercial Banks* and other regulatory regulations, as well as the *Articles of Association of the Bank of Qingdao Co., Ltd.* and the provisions of the *Measures on Evaluation of Performance of Duties by the Supervisors of Bank of Qingdao Co., Ltd.* The evaluation report is hereby made as follows:

I. EVALUATION FROM THE BOARD OF SUPERVISORS

Based on the daily supervision records of the Board of Supervisors, the Supervisors' self-evaluation of the performance of their duties, the regulatory opinions of the Qingdao Bureau of National Financial Regulatory Administration, and the special report of the external audit institution, the Board of Supervisors evaluated the performance of the Bank's Supervisors for 2023 as follows:

(I) Fulfilling the duty of loyalty

The Supervisors of the Bank took protecting the interests of the Bank for its objective, kept the Bank's secrets strictly, honestly fulfilled their supervision functions, payed close attention to matters that may harm the Bank's interests, reported to the Board of Supervisors in a timely manner, and promoted the correction of problems.

(II) Fulfilling the duty of diligence

The Supervisors of the Bank were able to actively perform their duties and obligations as Supervisors, devote time and energy effectively to participate in the Bank's affairs, keep abreast of the operating management and risk status, attend the meetings of the Board of Supervisors and its special committees as required, and carefully study and make prudent judgments on matters submitted to the Board of Supervisors for consideration. The Board of Supervisors was not aware of any violation of the diligent obligations under laws, regulations and the Articles of Association.

(III) Professionalism in performance of duties

The Supervisors of the Bank were all equipped with professional knowledge, work experience and basic quality necessary for duty performance, and were able to continuously improve their professional level, study and put forward scientific and reasonable opinions and recommendations based on the position of the Board of Supervisors' duties and

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responsibilities while combining their professional knowledge, industry experience and work experience, which played a supervision and safeguarding role in the high-quality development of the Bank.

(IV) Independence and moral standards in performance of duties

The Supervisors of the Bank were able to adhere to a high standard of professional ethics and perform their duties independently and autonomously without the control or interference of substantial Shareholders and insiders, so as to promote the Bank to treat all Shareholders fairly, safeguard the legitimate rights and interests of stakeholders, and actively perform social responsibilities.

(V) Compliance in performance of duties

The Supervisors of the Bank were able to comply with laws and regulations, regulatory requirements and the Bank's Articles of Association, continuously regulate their performance of duties, perform their duties in compliance with the law, and promote and supervise the Bank's law-abiding and compliant operation.

The Supervisors of the Bank were able to attend the meetings of the Board of Supervisors and special committees in a standardized manner, perform their supervisory duties conscientiously, and give opinions and suggestions on key matters such as the legal compliance of the Bank's operation, the truthfulness of financial reports, the acquisition and sale of assets, related party transactions, internal control, and the implementation of resolutions at the General Meeting of Shareholders. The external Supervisors were able to focus on the overall interests of the depositors and the Bank and could express their opinions objectively and independently with no part-time jobs in other commercial banks.

To sum up, the Board of Supervisors is of the opinion that the performance evaluation results of the Supervisors of the Bank for 2023 were all competent.

II. RECOMMENDATIONS OF THE BOARD OF SUPERVISORS

In 2024, the economic situation at home and abroad is still complex and severe, with slow process of economic globalization and intensification of international trade frictions, resulting in multiple risks and challenges in domestic economy. The financial supervision environment is becoming stricter, and it is recommended that the supervisors shall give full play to their professional abilities and work experience advantages to put forward scientific and reasonable suggestions for important supervision matters of the Bank. They shall actively participate in various training organized by the Bank and regulatory agencies, continuously improve their professional knowledge, understand and master the latest regulatory policy requirements. They shall also focus on the specific implementation of strategic planning, risk management and other aspects, and assist the high-quality development of the Bank with high-quality supervision.

This report is hereby given.

**BANK OF QINGDAO CO., LTD.
EVALUATION REPORT ON PERFORMANCE OF DUTIES OF THE SENIOR
MANAGEMENT AND SENIOR EXECUTIVES FOR 2023**

To Shareholders:

The Board of Supervisors of the Bank, in accordance with the *Code of Corporate Governance for Banking and Insurance Institutions*, the *Guidelines on the Work of the Board of Supervisors of Commercial Banks* and other regulatory regulations, as well as the *Articles of Association of Bank of Qingdao Co., Ltd.* (hereinafter referred to as the “**Articles of Association**”) and the *Measures for evaluation of performance of duties of the senior management and senior executives of Bank of Qingdao Co., Ltd.*, supervised and evaluated the performance of duties of the senior management and senior executives for 2023, and the evaluation is now reported as follows:

I. EVALUATION OF PERFORMANCE OF DUTIES OF SENIOR MANAGEMENT

The Board of Supervisors believes that in 2023, the senior management of the Bank could conscientiously implement the decision and deployment of the Party Committee and the Board of Directors of the Head Office in accordance with laws and regulations and the Articles of Association of the Company, actively overcame various adverse factors, and firmly promoted the implementation of the new three-year strategic plan. They continued to strengthen credit risk management, market risk management, operational risk management, liquidity risk management, information technology risk management, anti-money laundering risk management, reputation risk management, capital management, stress testing management, related party transactions management, and implemented regulatory requirements in terms of internal control and compliance, data governance, consumer rights and interests protection, case prevention and control, and performance evaluation. They had played an active role in the Bank’s business decision-making, reform and transformation and daily management, with no violations of laws, regulations and provisions of the Articles of Association by the senior management were found during the performance of duties, and no behaviors that damages the legitimate rights and interests of depositors and other stakeholders were found. The Board of Supervisors recommended that the senior management should strictly comply with regulatory requirements and strategic development goals, continue to optimize the customer structure, consolidate internal control risk management, firmly reform and transformation, and further promote sustained high-quality development.

II. EVALUATION OF PERFORMANCE OF DUTIES OF SENIOR EXECUTIVES**(I) Evaluation from the Board of Supervisors**

Based on the daily supervision records of the Board of Supervisors, with reference to the self-evaluation of senior executives on their performance of duties, the Board of Supervisors evaluates the performance of senior managers as follows:

1. *Fulfilling the duty of loyalty*

The senior executives of the Bank actively safeguarded the overall interests of the Bank, and operated it steadily. With excellent professional ethics, they timely reported to the President the matters that may harm the interests of the Bank during daily management and promoted the correction.

2. *Fulfilling the duty of diligence*

The senior executives of the Bank were able to devote sufficient time and energy to the participation in the Bank's affairs, keeping abreast of the operating management and risk status, attending the meetings of the senior management as required, and carefully studying and making prudent judgments on matters submitted to the meetings of senior management for consideration.

3. *Professionalism in performance of duties*

The senior executives of the Bank were able to continuously improve their professional level, study and put forward scientific and reasonable opinions and recommendations based on the position of the senior management duties and responsibilities while combining their professional knowledge, industry experience, and work experience, so as to promote scientific decision-making by the senior management.

4. *Independence and moral standards in performance of duties*

The senior executives of the Bank were able to adhere to a high standard of professional ethics and perform their duties independently and autonomously without the control or interference of substantial Shareholders, so as to promote the Bank to treat fairly legitimate rights and interests of stakeholders, and actively perform social responsibilities.

5. *Compliance in performance of duties*

The senior executives of the Bank were able to comply with laws and regulations, regulatory requirements and the Bank's Articles of Association, continuously regulate their performance of duties, perform their duties in compliance with the law, and promote and supervise the Bank's law-abiding and compliant operation.

To sum up, the Board of Supervisors is of the opinion that the performance evaluation results of the senior executives of the Bank for 2023 were all competent.

III. RECOMMENDATIONS OF THE BOARD OF SUPERVISORS

In 2024, the external economic trend will remain complex and severe, and the financial regulatory environment will become increasingly strict. The Bank must unwaveringly and deeply implement the spirit of the 20th National Congress of the Communist Party of China, Central Financial Work

Conference, Central Economic Work Conference and the spirit of provincial and municipal economic work, effectively transform the spirit of the meeting into ideas, measures and specific actions for the work of the Bank, adhere to the operating guiding ideology of “deepening strategy, strengthening characteristics, optimizing mechanisms, and refining management” and persist in compliance and prudent operation. It is recommended that the senior management and senior executives shall thoroughly implement the strategic decisions determined by the Board of directors, continuing strengthen the implementation of the strategy in accordance with the established strategy, and ensuring the implementation of strategic measures and the achievement of strategic objectives. The Bank will conceptualize itself as a city commercial bank, improving the ability to serve the real economy, strengthening comprehensive risk management, accelerating digital transformation, and promoting high-quality and stable development of the Bank.

This report is hereby given.

**PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS OF BANK OF QINGDAO CO., LTD. FOR 2023**
(Fang Qiaoling)

Dear Shareholders:

As an independent non-executive Director of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao” or “the Bank”), I performed my duties faithfully and diligently by strictly following the *Company Law*, the *Securities Law*, the *Corporate Governance Standards for Banking or Insurance Institutions*, the *Rules Governing Listing of Stocks on the Shenzhen Stock Exchange*, the *Articles of Association* of the Bank and other provisions and requirements, and shall not be influenced by major shareholders of the Bank, related parties, or other units or individuals having a material interest with the Bank and its major shareholders or related parties in 2023. I actively participated in meetings of the Board of Directors and its special committees, independently, objectively and impartially expressed opinions and suggestions on matters considered by the Board of Directors, and effectively safeguarded the legitimate rights and interests of the Bank, the small and medium-sized shareholders, and other stakeholders. I hereby report my performance of duties in 2023 as follows:

I. MY BASIC SITUATIONS

Born in October 1975, I have been an independent non-executive Director of Bank of Qingdao since June 2018, and I am currently serving as the chairman of the Audit Committee, a member of the Nomination Committee, a member of the Related Party Transactions Control Committee, and a member of the Risk Management and Consumer Rights Protection Committee. I have been teaching at Management College of Ocean University of China since July 1999. Presently, I serve as a professor and supervisor for Ph.D. candidates in Management College of Ocean University of China. I also served as an executive council member of the Shandong Provincial Accounting Society, president of Business Accounting Society of Qingdao, and vice president of Qingdao Auditing Society. Additionally, I have also served as an independent director of Chengdu LandTop Technology Co., Ltd. and Zhongmiao Innovation Technology (Qingdao) Co., Ltd.

II. PERFORMANCE OF DUTIES IN 2023

The Bank of Qingdao strongly supported the work of the independent Directors in performing our duties, continuously strengthened the support for our performance of duties and provided all the necessary conditions for the independent Directors to perform our duties.

(I) Attendance

In 2023, Bank of Qingdao convened 3 general meetings, including 1 annual general meeting and 2 extraordinary general meetings, at which 16 resolutions were considered, and 4 reports were reviewed; the Board convened 19 meetings, 6 of which were on-site meetings and 13 of which were correspondence voting meetings, at which 77 resolutions were considered, and 63 reports were reviewed; each of the Board special committees organized 48 meetings, including 5 Strategy Committee meetings, 2 Remuneration Committee meetings, 8 Audit Committee

meetings, 5 Nomination Committee meetings, 12 Risk Management and Consumer Rights Protection Committee meetings, 13 Related Party Transactions Control Committee meetings, and 3 Network Security and Information Technology Committee meetings at which 74 resolutions were considered, and 59 reports were received or reviewed.

As a member of the Board of Directors, the chairman of the Audit Committee, and a member of the Nomination Committee, Related Party Transactions Control Committee, Risk Management and Consumer Rights Protection Committee, I attended the general meeting, meetings of the Board of Directors and meetings of the special committees to which I belonged in person in accordance with the rules and regulations, and voted on the relevant resolutions on the basis of the principles of independence, objectivity and impartiality. I reviewed quarterly reports, quarterly internal audit reports and other regular reports on a quarterly basis, reviewed and received the president's work report, semi-annual financial analysis and risk reports on comprehensive credit risk, market risk, and liquidity risk on a semi-annual basis, and reviewed and received the annual report, financial account report, profit distribution plan, business operation risk appetite strategy, bonus performance payment plan, financial market risk and anti-money-laundering risk on an annual basis, and expressed opinions objectively and independently at the meetings to perform the duties of an independent non-executive director. The specific attendance of the meeting was as follows:

Actual attendance/Number of meetings requiring attendance									
Name	General meetings	Board of Directors	Board special committee meetings						
			Strategy Committee	Remuneration Committee	Nomination Committee	Related Party Transactions Control Committee	Audit Committee	Risk Management and Consumer Rights Protection Committee	Network Security and Information Technology Committee
Fang Qiaoling	3/3	19/19	-	-	5/5	13/13	8/8	12/12	-

(II) Participation in training and research

1. Participation in research

In 2023, in addition to attending the meetings of the Board of Directors and special committees, I also conducted 2 special researches in the Bank through research forums and put forward relevant comments and suggestions. The specific researches were as follows:

(1) *special research on the development of inclusive finance business*

In June 2023, I participated in a special research on the development of the Bank's inclusive finance business, and learned about the basic situation of the development of the Bank's inclusive finance business, the effectiveness of the main work of the inclusive finance business as well as the next step of the development plan; and suggested that the management should enhance the bank's data governance capabilities, to empower the high-quality development of inclusive financial business with digital technology, and adjust the underlying logic of data models in a timely manner to meet the needs of different types of customers. I also recommended fully utilizing financial technology methods to improve the efficiency of business processing, refining the product service system, enhancing data analysis, mining, and modeling capabilities, and strengthening digital risk control capabilities.

(2) *special research on the development of credit card business*

In October 2023, I participated in a special research on the development of the Bank's credit card business to understand the overall operation of the Bank's credit card business and risk management. I suggested that the management precisely target customer segments in the next phase, focus on users' needs, create differentiated services, design distinctive benefits, and adapt to the industry trend of credit card business transformation in order to develop diversified consumer scenarios, cultivate users' habits, and gain a competitive edge in the fierce market competition through distinctive brand characteristics.

2. *Participation in training*

In 2023, I participated in a number of training organized by regulatory authorities, industry self-discipline organizations, intermediaries and other entities, and my main participation was set out below:

- (1) I participated in the training of "Policy Interpretation of the Reform of the Registration System for Listed Companies" organized by Qingdao Securities Regulatory Bureau and learned in-depth about the revised thinking and key points of the reform of the refinancing and M&A and restructuring systems for listed companies under the registration system.
- (2) I participated in the training organized by the Association of Listed Companies in China on the development, reform and outlook of the independent director system of listed companies, and gained an in-depth understanding of the establishment and development, its reforms and changes, as well as the outlook for the future of the independent director system.

- (3) I participated in the training organized by Qingdao Association of Listed Companies on the reform of the independent director system in Qingdao to strengthen the learning of the development and reform of the independent director system of listed companies as well as the key points of the performance of duties of independent directors.
- (4) I participated in the continuous supervision training organized by CITIC Securities, the sponsor, and conducted in-depth learning on three topics, namely, analysis of the impact of the registration system on refinancing, notes on the use of fund-raising, and disclosure of information by listed companies.
- (5) I participated in domestic and overseas training on key laws and regulations organized by the regular legal team in domestic and overseas regions, in order to gain a deep understanding of the changes in relevant laws and regulations as well as regulatory developments, and to promote compliance in discharging duties.
- (6) I participated in a workshop on corporate governance and Directors', supervisors' and senior management's performance enhancement for small and medium-sized financial institutions organized by the AFCA Finance Academy to deepen the understanding of corporate governance, board construction and performance of its members, shareholding management and related party transactions.

(III) On-site Office Situation

In order to establish a sound on-site office mechanism for independent Directors, Bank of Qingdao has set up a special office for independent Directors. In 2023, I actively came to the Bank for on-site office work, in addition to coming to the Bank to participate in surveys, research and training, I also held in-depth discussions with multiple departments including the Asset Preservation Department, the Risk Management Department, and Personal Lending Department of Bank of Qingdao, to fully understand the recent operational and management situation of the Bank. As the chairman of the Audit Committee of the Board of Directors, I diligently fulfilled my relevant responsibilities. I held special meetings with the heads of the audit department and external audit firms, received their main work reports, grasped the specific situation of the Bank's internal and external audits, and made suggestions and recommendations on how to improve the relevant work.

(IV) Communication with Internal Auditors and Accounting Firms

In 2023, I actively communicated with the Bank's Audit Department and the accounting firm and conscientiously fulfilled my relevant duties by conducting regular inspections of the internal audit work of the Bank's Audit Department in the light of the actual situation of the Bank, supervising the establishment of the internal control mechanism of the Bank and its implementation, communicating with the accounting firm on the arrangement of the external

audit work and the progress of the key work, and actively promoting the role of the Audit Department and the accounting firm in the daily and annual audits of the Bank to safeguard the interests of all shareholders of the Bank.

(V) Work of the Special Meeting of Independent Directors

Since September 2023, the Bank has not convened any special meeting of independent directors as no circumstances requiring such a meeting have occurred. In accordance with the regulations of the *Management Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission* (“CSRC”) and the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board* and other relevant regulations, as well as the relevant regulations for special meetings of independent directors of the Bank, the Bank will commence the work relating to special meetings of independent directors in 2024.

(VI) Issuance of independent opinions

In 2023, I focused on the lawfulness and fairness of major related party transactions, the profit distribution plan, and issued independent opinions pursuant to the Articles of Association of the Bank. The details were as follows:

No.	Time	Name of Meeting	Name of Independent Opinion
1	18 January 2023	23rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent opinion on the Resignation of President Wang Lin Independent Opinion 2: Independent Opinion on the Appointment of Mr. Wu Xianming as President of Bank of Qingdao Co., Ltd. Independent Opinion 3: Independent Opinion on the Nomination of Mr. Wu Xianming as the Candidate for Executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 4: Independent opinion on the Nomination of Mr. Cheung Man Chor, Elton as the Candidate for Independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
2	29 March 2023	27th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haier Financial Factoring (Chongqing) Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd.

No.	Time	Name of Meeting	Name of Independent Opinion
3	31 March 2023	28th meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the <i>Profit Distribution Plan of Bank of Qingdao Co., Ltd. for 2022</i></p> <p>Independent Opinion 2: Independent Opinion on the Engagement of External Auditors of Bank of Qingdao Co., Ltd. for 2023 and their Remuneration</p> <p>Independent Opinion 3: Independent Opinion on the Appropriation of Staff Bonus and the Distribution of Performance Bonus of Senior Management at Bank Level for 2022</p> <p>Independent Opinion 4: Independent Opinion on 2022 Internal Control Evaluation Report</p> <p>Independent Opinion 5: Independent Opinion on External Guarantees and Funds Occupied by Related Parties</p> <p>Independent Opinion 6: Independent Opinion on the situation of Company's Derivatives Investment and Risk Control</p>
4	24 April 2023	29th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Appointment of Senior Management Members of the Bank
5	28 April 2023	30th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on Adjusting the Matter on Estimated Amount of Ordinary Related Party Transactions
6	29 May 2023	31st meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd.</p> <p>Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Commercial Operation Co., Ltd.</p> <p>Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao No.1 Courtyard Hotel Co., Ltd.</p> <p>Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Conson Development (Group) Co., Ltd.</p>

No.	Time	Name of Meeting	Name of Independent Opinion
7	2 June 2023	32nd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao OTC Market Clearance Centre Company Limited
8	29 June 2023	33rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Jiawa Cloud Network Technology Co., Ltd.(青島家哇雲網絡科技有限公司)
9	7 July 2023	34th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Nomination of Ms. Chen Shuang as the Candidate for Executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 2: Independent opinion on the Nomination of Mr. Du Ning as the Candidate for Independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
10	19 July 2023	35th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Tsingtao Brewery Co., Ltd.
11	30 August 2023	37th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on External Guarantees and Funds Occupied by Related Parties
12	18 October 2023	39th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haitian (BVI) International Investment Development Limited

No.	Time	Name of Meeting	Name of Independent Opinion
13	27 December 2023	41st meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haiyuqingquan Hot Spring Hotel Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Maidirui Ecological Environment Technology Co., Ltd. Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Tizhiwang IoT Technology Co., Ltd. Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haili Living Technology Co., Ltd.

(VII) Others

In 2023, I neither proposed to hold an extraordinary general meeting nor to convene a Board meeting, appoint or dismiss the accounting firm, or engage an external auditor and consulting institution independently.

III. WORK ON PROTECTING INVESTORS' INTERESTS

1. I have effectively fulfilled my duties as an independent director by actively participating in the meetings of the Board of Directors, the general meeting and the special committees meetings of the Board of Directors, seriously studying the various resolutions, verifying the actual situation, making use of my professional knowledge to make fair judgement on the matters contained in the resolutions and exercising my voting rights independently, objectively and prudently, thereby effectively safeguarding the legitimate rights and interests of the Bank and all the shareholders, in particular the rights and interests of the small and medium-sized shareholders.
2. I proactively studied and mastered the laws and regulations issued by the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange (SZSE) and the State Administration of Financial Supervision (SAFS) and other organizations as well as the relevant systems and regulations, to deepen my knowledge and understanding of the rules and regulations and corporate governance, and to continuously enhance my awareness to protect the rights and interests of the Bank and the public investors and duty performance ability.

3. I continued to pay attention to the Bank's information disclosure work and urged the Bank to strictly comply with the requirements of the laws and regulations such as *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board*, as well as the Bank's *Information Disclosure Management System*, so as to ensure that the disclosure of the Bank's information is truthful, accurate, timely and complete.
4. I maintained open communication channels with small and medium-sized investors, understood their demands and actively protected their rights and interests.

IV. OVERALL EVALUATION

In 2023, as an independent non-executive Director of Bank of Qingdao, I performed my duties conscientiously and diligently, insisted on fulfilling my duties and expressing independent opinions in accordance with relevant laws, regulations, normative documents and the requirements of the *Articles of Association* of the Bank, maintained efficient communication with the senior management, paid close attention to the development of the Bank, and was not under the influence of the major shareholders or other entities and individuals with interests in the Bank, and fully performed my role as an independent non-executive Director. In respect of my duty of loyalty, I actively safeguarded the overall interests of the Bank, have not accepted any improper benefits in the course of discharging my duties, have not made use of my position and power in the Bank to seek personal gains, didn't divulge the Bank's commercial secrets without authorization, didn't make use of my affiliation to undermine the interests of the Bank, didn't have any conflict of interest between my own duties and part-time work and my duties as an independent non-executive Director of the Bank, and truthfully informed the Bank of the relevant circumstances. The Bank of Qingdao has actively absorbed the opinions and suggestions put forward by me in the course of performing my duties and took forward the implementation in depth, so as to achieve steady and far-reaching development on the road of high-quality development.

In 2024, I will continue to earnestly participate in the meetings of the Board of Directors and special committees in accordance with requirements of domestic and foreign laws and regulations, express opinions independently and objectively, and perform my duties faithfully and diligently, actively participate in special investigations, come to the Bank for on-site work, bring my professional and independent nature into blossom, provide advice and suggestions for the Bank's business development, promote the Bank to achieve sustainable and high-quality development, and earnestly safeguard the legal rights and interests of the Bank and Shareholders, especially minority Shareholders.

This report is hereby given.

Independent Non-Executive Director: Fang Qiaoling

**PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS OF BANK OF QINGDAO CO., LTD. FOR 2023****(Xing Lecheng)**

Dear Shareholders:

As an independent non-executive Director of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao” or “the Bank”), I performed my duties faithfully and diligently by strictly following the *Company Law*, the *Securities Law*, the *Corporate Governance Standards for Banking or Insurance Institutions*, the *Rules Governing Listing of Stocks on the Shenzhen Stock Exchange*, the *Articles of Association* of the Bank and other provisions and requirements, and shall not be influenced by major shareholders of the Bank, related parties, or other units or individuals having a material interest with the Bank and its major shareholders or related parties in 2023. I actively participated in meetings of the Board of Directors and its special committees, independently, objectively and impartially expressed opinions and suggestions on matters considered by the Board of Directors, and effectively safeguarded the legitimate rights and interests of the Bank, the small and medium-sized shareholders, and other stakeholders. I hereby report my performance of duties in 2023 as follows:

I. MY BASIC SITUATIONS

Born in November 1962, I have been an independent non-executive Director of Bank of Qingdao since July 2021, and I am currently serving as the chairman of the Related Party Transactions Control Committee and a member of the Strategy Committee, the Remuneration Committee, the Audit Committee, the Risk Management and Consumer Rights Protection Committee. I have been the director of the Investment and Financing Research Centre of Jinan University and the president of Shandong Provincial Institute of Inclusive Finance since December 2018, and also served as a member of the Standing Committee of the National People’s Congress of Shandong Province, an expert enjoying the special governmental subsidy of the State Council, a director of the China Investment Association, the vice-chairman of Shandong Provincial Association of Venture Capital, as well as an independent director of Tannoy Optoelectronic Materials Company Limited, Shandong Laiwu Rural Commercial Bank Company Limited and Shandong Lino Specialty Glass Company Limited. Ltd.

II. THE PERFORMANCE OF DUTIES FOR 2023

The Bank of Qingdao strongly supported the work of the independent Directors in performing our duties, continuously strengthened the support for our performance and provided all the necessary conditions for the independent Directors to perform our duties.

(I) Attendance

In 2023, Bank of Qingdao convened 3 general meetings, including 1 annual general meeting and 2 extraordinary general meetings, at which 16 resolutions were considered, and 4 reports were reviewed; the Board convened 19 meetings, 6 of which were on-site meetings and 13 of which were correspondence voting meetings, at which 77 resolutions were considered, and 63

reports were reviewed; each of the Board special committees organized 48 meetings, including 5 Strategy Committee meetings, 2 Remuneration Committee meetings, 8 Audit Committee meetings, 5 Nomination Committee meetings, 12 Risk Management and Consumer Rights Protection Committee meetings, 13 Related Party Transactions Control Committee meetings, and 3 Network Security and Information Technology Committee meetings, at which 74 resolutions were considered, and 59 reports were received or reviewed.

As a member of the Board of Directors, chairman of the Related Party Transactions Control Committee, and a member of the Strategy Committee, Remuneration Committee, Audit Committee and Risk Management and Consumer Rights Protection Committee, I attended the general meeting, meetings of the Board of Directors and meetings of the special committees to which I belonged in person in accordance with the rules and regulations, and voted on the relevant resolutions on the basis of the principles of independence, objectivity and impartiality. I reviewed quarterly reports, quarterly internal audit reports and other regular reports on a quarterly basis, reviewed and received the president's work report, semi-annual financial analysis and risk reports on comprehensive credit risk, market risk, and liquidity risk on a semi-annual basis, and reviewed and received the annual reports, financial final reports, profit distribution proposals, business operation risk appetite plans, bonus performance disbursement plans, and financial market risk, anti-money laundering risk and other risk reports on an annual basis, and voted objectively at the meetings. I also expressed objective and independent opinions at the meetings and performed my duties as an independent non-executive director. Details of the attendance of the meetings were set out below:

Number of actual attendance/Number of scheduled attendance									
Name of Director	General Meeting	Board of Directors	Special committee meetings of the Board of Directors						
			Strategy Committee	Remuneration Committee	Nomination Committee	Related Party Transactions Control Committee	Audit Committee	Risk Management and Consumer Rights Protection Committee	Network Security and Information Technology Committee
Xing Lecheng	3/3	19/19	5/5	2/2	-	13/13	8/8	12/12	-

(II) Participation in training and research

1. Participation in research

In 2023, in addition to attending the meetings of the Board of Directors and special committees, I also conducted 2 special researches in the Bank through research forums and put forward relevant comments and suggestions. The specific researches were as follows:

(1) *special research on the development of inclusive finance business*

In June 2023, I participated in a special research on the development of the Bank's inclusive finance business, and learned about the basic situation of the development of the Bank's inclusive finance business, the effectiveness of the main work of the inclusive finance business as well as the next step of the development plan; and suggested that the management should draw on Shouguang's experience in the inclusive finance business, by integrating agricultural-related data such as basic information of farmers, agricultural capital and vegetable transaction information, a data-sharing platform will be set up to gather data such as agricultural product transaction information and agricultural input information to automatically grant credit to agricultural growers and agricultural capital dealers, thus completing the transformation from "information" to "credit".

(2) *special research on the development of credit card business*

In October 2023, I participated in a special research on the development of the Bank's credit card business to understand the overall operation of the Bank's credit card business and risk management. I suggested that the Bank's Credit Card Department should strengthen its cooperation with the Inclusive Finance Department, promote the credit card business by relying on the conduit resources in the course of the development of the Inclusive Finance business, and effectively realize public-private business linkage marketing with a focus on grasping the opportunities.

2. *Participation in training*

In 2023, I participated in a number of training organized by regulatory authorities, industry self-discipline organizations, intermediaries and other entities, and my main participation was set out below:

- (1) I participated in the training of "Policy Interpretation of the Reform of the Registration System for Listed Companies" organized by Qingdao Securities Regulatory Bureau and learned in-depth about the revised thinking and key points of the reform of the refinancing and M&A and restructuring systems for listed companies under the registration system.
- (2) I participated in the training organized by the Association of Listed Companies in China on the development, reform and outlook of the independent director system of listed companies, and gained an in-depth understanding of the establishment and development, its reforms and changes, as well as the outlook for the future of the independent director system.

- (3) I participated in the training organized by Qingdao Association of Listed Companies on the reform of the independent director system in Qingdao to strengthen the learning of the development and reform of the independent director system of listed companies as well as the key points of the performance of duties of independent directors.
- (4) I participated in the continuous supervision training organized by CITIC Securities, the sponsor, and conducted in-depth learning on three topics, namely, analysis of the impact of the registration system on refinancing, notes on the use of fund-raising, and disclosure of information by listed companies.
- (5) I participated in domestic and overseas training on key laws and regulations organized by the regular legal team in domestic and overseas regions, in order to gain a deep understanding of the changes in relevant laws and regulations as well as regulatory developments, and to promote compliance in discharging duties.
- (6) I participated in a workshop on corporate governance and Directors', supervisors' and senior management's performance enhancement for small and medium-sized financial institutions organized by the AFCA Finance Academy to deepen the understanding of corporate governance, board construction and performance of its members, shareholding management and related party transactions.

(III) On-site Office Situation

In order to establish a sound on-site office mechanism for independent Directors, Bank of Qingdao has set up a special office for independent Directors. In 2023, I actively came to the Bank for on-site office work, in addition to came to the Bank to participate in surveys, research and training, I also held in-depth discussions with the Financial Market Department, Risk Management Department, and other departments of Bank of Qingdao, in order to fully understand the recent situation of the Bank's operation and management. I also went into the front line and visited the Bank's branches such as the Laoshan Sub-branch and the Haier Road Sub-branch, and held meetings with relevant responsible persons, keeping close attention to the operational situations.

(IV) Communication with Internal Auditors and Accounting Firms

In 2023, I actively communicated with the Bank's Audit Department and the accounting firm and conscientiously fulfilled my relevant duties by conducting regular inspections of the internal audit work of the Bank's Audit Department in the light of the actual situation of the Bank, supervising the establishment of the internal control mechanism of the Bank and its implementation, communicating with the accounting firm on the arrangement of the external audit work and the progress of the key work, and actively promoting the role of the Audit Department and the accounting firm in the daily and annual audits of the Bank to safeguard the interests of all shareholders of the Bank.

(V) Work of the Special Meeting of Independent Directors

Since September 2023, the Bank has not convened any special meeting of independent directors as no circumstances requiring such a meeting have occurred. In accordance with the regulations of the *Management Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission (“CSRC”)* and the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board* and other relevant regulations, as well as the relevant regulations for special meetings of independent directors of the Bank, the Bank will commence the work relating to special meetings of independent directors in 2024.

(VI) Issuance of independent opinions

In 2023, I focused on the lawfulness and fairness of major related party transactions, the profit distribution plan, and issued independent opinions pursuant to the *Articles of Association* of the Bank. The details were as follows:

No.	Time	Name of Meeting	Name of Independent Opinion
1	18 January 2023	23rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent opinion on the Resignation of President Wang Lin Independent Opinion 2: Independent Opinion on the Appointment of Mr. Wu Xianming as President of Bank of Qingdao Co., Ltd. Independent Opinion 3: Independent Opinion on the Nomination of Mr. Wu Xianming as the Candidate for Executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 4: Independent opinion on the Nomination of Mr. Cheung Man Chor, Elton as the Candidate for Independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
2	29 March 2023	27th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haier Financial Factoring (Chongqing) Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd.

No.	Time	Name of Meeting	Name of Independent Opinion
3	31 March 2023	28th meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the <i>Profit Distribution Plan of Bank of Qingdao Co., Ltd. for 2022</i></p> <p>Independent Opinion 2: Independent Opinion on the Engagement of External Auditors of Bank of Qingdao Co., Ltd. for 2023 and their Remuneration</p> <p>Independent Opinion 3: Independent Opinion on the Appropriation of Staff Bonus and the Distribution of Performance Bonus of Senior Management at Bank Level for 2022</p> <p>Independent Opinion 4: Independent Opinion on 2022 Internal Control Evaluation Report</p> <p>Independent Opinion 5: Independent Opinion on External Guarantees and Funds Occupied by Related Parties</p> <p>Independent Opinion 6: Independent Opinion on the situation of Company's Derivatives Investment and Risk Control</p> <p>Independent Opinion 7: Independent Opinion on the Matter on Estimated Amount of Ordinary Related Party Transactions</p>
4	24 April 2023	29th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Appointment of Senior Management Members of the Bank
5	28 April 2023	30th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on Adjusting the Matter on Estimated Amount of Ordinary Related Party Transactions
6	29 May 2023	31st meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd.</p> <p>Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Commercial Operation Co., Ltd.</p> <p>Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao No.1 Courtyard Hotel Co., Ltd.</p> <p>Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Conson Development (Group) Co., Ltd.</p>

No.	Time	Name of Meeting	Name of Independent Opinion
7	2 June 2023	32nd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao OTC Market Clearance Centre Company Limited
8	29 June 2023	33rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Jiawa Cloud Network Technology Co., Ltd.(青島家哇雲網絡科技有限公司)
9	7 July 2023	34th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Nomination of Ms. Chen Shuang as the Candidate for Executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 2: Independent opinion on the Nomination of Mr. Du Ning as the Candidate for Independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
10	19 July 2023	35th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Tsingtao Brewery Co., Ltd.
11	30 August 2023	37th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on External Guarantees and Funds Occupied by Related Parties
12	18 October 2023	39th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haitian (BVI) International Investment Development Limited

No.	Time	Name of Meeting	Name of Independent Opinion
13	27 December 2023	41st meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haiyuqingquan Hot Spring Hotel Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Mairui Ecological Environment Technology Co., Ltd. Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Tizhiwang IoT Technology Co., Ltd. Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haili Living Technology Co., Ltd.

(VII) Others

In 2023, I neither proposed to hold an extraordinary general meeting nor to convene a Board meeting, appoint or dismiss the accounting firm, or engage an external auditor and consulting institution independently.

III. WORK ON PROTECTING INVESTORS' INTERESTS

1. I have effectively fulfilled my duties as an independent director by actively participating in the meetings of the Board of Directors, the general meeting and the special committees meetings of the Board of Directors, seriously studying the various resolutions, verifying the actual situation, making use of my professional knowledge to make fair judgement on the matters contained in the resolutions and exercising my voting rights independently, objectively and prudently, thereby effectively safeguarding the legitimate rights and interests of the Bank and all the shareholders, in particular the rights and interests of the small and medium-sized shareholders.
2. I proactively studied and mastered the laws and regulations issued by the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange (SZSE) and the State Administration of Financial Supervision (SAFS) and other organizations as well as the relevant systems and regulations, to deepen my knowledge and understanding of the rules and regulations and corporate governance, and to continuously enhance my awareness to protect the rights and interests of the Bank and the public investors and duty performance ability.

3. I continued to pay attention to the Bank's information disclosure work and urged the Bank to strictly comply with the requirements of the laws and regulations such as *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board*, as well as the Bank's *Information Disclosure Management System*, so as to ensure that the disclosure of the Bank's information is truthful, accurate, timely and complete.
4. I maintained open communication channels with small and medium-sized investors, understood their demands and actively protected their rights and interests.

IV. OVERALL EVALUATION

In 2023, as an independent non-executive Director of Bank of Qingdao, I performed my duties conscientiously and diligently, insisted on fulfilling my duties and expressing independent opinions in accordance with relevant laws, regulations, normative documents and the requirements of the *Articles of Association* of the Bank, maintained efficient communication with the senior management, paid close attention to the development of the Bank, and was not under the influence of the major shareholders or other entities and individuals with interests in the Bank, and fully performed my role as an independent non-executive Director. In respect of my duty of loyalty, I actively safeguarded the overall interests of the Bank, have not accepted any improper benefits in the course of discharging my duties, have not made use of my position and power in the Bank to seek personal gains, didn't divulge the Bank's commercial secrets without authorization, didn't make use of my affiliation to undermine the interests of the Bank, didn't have any conflict of interest between my own duties and part-time work and my duties as an independent non-executive Director of the Bank, and truthfully informed the Bank of the relevant circumstances. The Bank of Qingdao has actively absorbed the opinions and suggestions put forward by me in the course of performing my duties and took forward the implementation in depth, so as to achieve steady and far-reaching development on the road of high-quality development.

In 2024, I will continue to earnestly participate in the meetings of the Board of Directors and special committees in accordance with requirements of domestic and foreign laws and regulations, express opinions independently and objectively, and perform my duties faithfully and diligently, actively participate in special investigations, come to the Bank for on-site work, bring my professional and independent nature into blossom, provide advice and suggestions for the Bank's business development, promote the Bank to achieve sustainable and high-quality development, and earnestly safeguard the legal rights and interests of the Bank and Shareholders, especially minority Shareholders.

This report is hereby given.

Independent Non-Executive Director: Xing Lecheng

**PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS OF BANK OF QINGDAO CO., LTD. FOR 2023**
(Zhang Xu)

Dear Shareholders:

As an independent non-executive Director of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao” or “the Bank”), I performed my duties faithfully and diligently by strictly following the *Company Law*, the *Securities Law*, the *Corporate Governance Standards for Banking or Insurance Institutions*, the *Rules Governing Listing of Stocks on the Shenzhen Stock Exchange*, the *Articles of Association* of the Bank and other provisions and requirements, and shall not be influenced by major shareholders of the Bank, related parties, or other units or individuals having a material interest with the Bank and its major shareholders or related parties in 2023. I actively participated in meetings of the Board of Directors and its special committees, independently, objectively and impartially expressed opinions and suggestions on matters considered by the Board of Directors, and effectively safeguarded the legitimate rights and interests of the Bank, the small and medium-sized shareholders, and other stakeholders. I hereby report my performance of duties in 2023 as follows:

I. MY BASIC SITUATIONS

Born in November 1969, I was appointed as an independent non-executive Director of the Bank in July 2021, and currently serves as the chairman of the Remuneration Committee, and a member of the Strategy Committee, Nomination Committee, Related Party Transactions Control Committee, Audit Committee and Risk Management and Consumer Rights Protection Committee. I have been teaching at Qingdao University since July 1993 and am currently a professor in the Department of Finance, School of Economics, Qingdao University. I have also served as a member of the Standing Committee of the Qingdao Political Consultative Conference, the vice-chairman of the Qingdao Municipal Committee of the Jiu San Society, a special researcher of the expert decision-making advisory committee of the Qingdao municipal government, a committee member of Economy Development Society of China Association for Study of Foreign Economic, a vice president of Qingdao Urban Economics Society, and an external director of Weifang Rural Credit Cooperative Union.

II. PERFORMANCE OF DUTIES IN 2023

The Bank of Qingdao strongly supported the work of the independent Directors in performing our duties, continuously strengthened the support for our performance and provided all the necessary conditions for the independent Directors to perform our duties.

(I) Attendance

In 2023, Bank of Qingdao convened 3 general meetings, including 1 annual general meeting and 2 extraordinary general meetings, at which 16 resolutions were considered, and 4 reports were reviewed; the Board convened 19 meetings, 6 of which were on-site meetings and 13 of which were correspondence voting meetings, at which 77 resolutions were considered, and 63

reports were reviewed; each of the Board special committees organized 48 meetings, including 5 Strategy Committee meetings, 2 Remuneration Committee meetings, 8 Audit Committee meetings, 5 Nomination Committee meetings, 12 Risk Management and Consumer Rights Protection Committee meetings, 13 Related Party Transactions Control Committee meetings, and 3 Network Security and Information Technology Committee meetings, at which 74 resolutions were considered, and 59 reports were received or reviewed.

As a member of the Board of Directors, chairman of the Remuneration Committee, and a member of the Strategy Committee, Nomination Committee, Related Party Transactions Control Committee, Audit Committee and Risk Management and Consumer Rights Protection Committee, I attended the general meeting, meetings of the Board of Directors and meetings of the special committees to which I belonged in person in accordance with the rules and regulations, and voted on the relevant resolutions on the basis of the principles of independence, objectivity and impartiality. I reviewed quarterly reports, quarterly internal audit reports and other regular reports on a quarterly basis, reviewed and received the president's work report, semi-annual financial analysis and risk reports on comprehensive credit risk, market risk, and liquidity risk on a semi-annual basis, and reviewed and received the annual reports, financial final reports, profit distribution proposals, business operation risk appetite plans, bonus performance disbursement plans, and financial market risk, anti-money laundering risk and other risk reports on an annual basis, and voted objectively at the meetings. I also expressed objective and independent opinions at the meetings and performed my duties as an independent non-executive director. Details of the attendance of the meetings were set out below:

Number of actual attendance/Number of scheduled attendance									
Name of Director	General Meeting	Board of Directors	Special committee meetings of the Board of Directors						
			Strategy Committee	Remuneration Committee	Nomination Committee	Related Party Transactions Control Committee	Audit Committee	Risk Management and Consumer Rights Protection Committee	Network Security and Information Technology Committee
Zhang Xu	3/3	19/19	5/5	2/2	5/5	13/13	8/8	12/12	-

(II) Participation in training and research

1. Participation in research

In 2023, in addition to attending the meetings of the Board of Directors and special committees, I also conducted 2 special researches in the Bank through research forums and put forward relevant comments and suggestions. The specific researches were as follows:

(1) *special research on the development of inclusive finance business*

In June 2023, I participated in a special research on the development of the Bank's inclusive finance business, and learned about the basic situation of the development of the Bank's inclusive finance business, the effectiveness of the main work of the inclusive finance business as well as the next step of the development plan; and suggested that the management pay attention to the construction of risk prevention and control and risk early warning system, explore the establishment of an intelligent risk control system based on the default risk grading of inclusive financial customers, realize the early warning of the whole process linking to customer access, credit granting and approval, and post-credit supervision, make full use of big data to realize accurate inclusion, implement refined management strategies, and do a good job in refined credit risk prevention and control.

(2) *special research on the development of credit card business*

In October 2023, I participated in a special research on the development of the Bank's credit card business to understand the overall operation of the Bank's credit card business and risk management; suggested that the Bank identify, handle, and quickly recover from any anomalies in the operation of the information system in a timely manner, so as to avoid any inconvenience to the usage of the customer's credit card.

2. *Participation in training*

In 2023, I participated in a number of training organized by regulatory authorities, industry self-discipline organizations, intermediaries and other entities, and my main participation was set out below:

- (1) I participated in the training of "Policy Interpretation of the Reform of the Registration System for Listed Companies" organized by Qingdao Securities Regulatory Bureau and learned in-depth about the revised thinking and key points of the reform of the refinancing and M&A and restructuring systems for listed companies under the registration system.
- (2) I participated in the training organized by the Association of Listed Companies in China on the development, reform and outlook of the independent director system of listed companies, and gained an in-depth understanding of the establishment and development, its reforms and changes, as well as the outlook for the future of the independent director system.

- (3) I participated in the training organized by Qingdao Association of Listed Companies on the reform of the independent director system in Qingdao to strengthen the learning of the development and reform of the independent director system of listed companies as well as the key points of the performance of duties of independent directors.
- (4) I participated in the continuous supervision training organized by CITIC Securities, the sponsor, and conducted in-depth learning on three topics, namely, analysis of the impact of the registration system on refinancing, notes on the use of fund-raising, and disclosure of information by listed companies.
- (5) I participated in domestic and overseas training on key laws and regulations organized by the regular legal team in domestic and overseas regions, in order to gain a deep understanding of the changes in relevant laws and regulations as well as regulatory developments, and to promote compliance in discharging duties.
- (6) I participated in a workshop on corporate governance and Directors', supervisors' and senior management's performance enhancement for small and medium-sized financial institutions organized by the AFCA Finance Academy to deepen the understanding of corporate governance, board construction and performance of its members, shareholding management and related party transactions.

(III) On-site Office Situation

In order to establish a sound on-site office mechanism for independent Directors, Bank of Qingdao has set up a special office for independent Directors. In 2023, I actively came to the Bank for on-site office work, in addition to coming to the Bank to participate in surveys, research and training, I also held a special meeting with the head of the external auditor engaged by the Bank to understand the details of the Bank's auditing work and actively put forward suggestions for improvement. I carefully reviewed the materials of the meeting on the promotion of digital transformation work to familiarize myself with the process of the Bank's digital transformation, and grasped the difficulties in the process of the Bank's promotion of digital transformation as well as the next step of the plan. I also went into the front line and visited the Bank's branches such as the Shinan Sub-branch and the Haier Road Sub-branch, and held meetings with relevant responsible persons, keeping close attention to the operational situations.

(IV) Communication with Internal Auditors and Accounting Firms

In 2023, I actively communicated with the Bank's Audit Department and the accounting firm and conscientiously fulfilled my relevant duties by conducting regular inspections of the internal audit work of the Bank's Audit Department in the light of the actual situation of the Bank, supervising the establishment of the internal control mechanism of the Bank and its implementation, communicating with the accounting firm on the arrangement of the external

audit work and the progress of the key work, and actively promoting the role of the Audit Department and the accounting firm in the daily and annual audits of the Bank to safeguard the interests of all shareholders of the Bank.

(V) Work of the Special Meeting of Independent Directors

Since September 2023, the Bank has not convened any special meeting of independent directors as no circumstances requiring such a meeting have occurred. In accordance with the regulations of the *Management Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission* (“CSRC”) and the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board* and other relevant regulations, as well as the relevant regulations for special meetings of independent directors of the Bank, the Bank will commence the work relating to special meetings of independent directors in 2024.

(VI) Issuance of Independent Opinions

In 2023, I focused on the lawfulness and fairness of major related party transactions, the profit distribution plan, and issued independent opinions pursuant to the *Articles of Association* of the Bank. The details were as follows:

No.	Time	Name of Meeting	Name of Independent Opinion
1	18 January 2023	23rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Resignation of President Wang Lin Independent Opinion 2: Independent Opinion on the Appointment of Mr. Wu Xianming as the President of Bank of Qingdao Co., Ltd. Independent Opinion 3: Independent Opinion on the Nomination of Mr. Wu Xianming as a Candidate for executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 4: Independent Opinion on the Nomination of Mr. Cheung Man Chor, Elton as a Candidate for independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
2	29 March 2023	27th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao and Haier Financial Factoring (Chongqing) Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao and Qingdao Haishanghai Life Service Group Co., Ltd.

No.	Time	Name of Meeting	Name of Independent Opinion
3	31 March 2023	28th meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the <i>Profit Distribution Plan of Bank of Qingdao Co., Ltd. for 2022</i></p> <p>Independent Opinion 2: Independent Opinion on the Engagement of External Auditors of Bank of Qingdao Co., Ltd. for 2023 and their Remuneration</p> <p>Independent Opinion 3: Independent Opinion on the Appropriation of Staff Bonus and the Distribution of Performance Bonus of Senior Management at Bank Level for 2022</p> <p>Independent Opinion 4: Independent Opinion on 2022 Internal Control Evaluation Report</p> <p>Independent Opinion 5: Independent Opinion on External Guarantees and Funds Occupied by Related Parties</p> <p>Independent Opinion 6: Independent Opinion on the situation of Company's Derivatives Investment and Risk Control</p> <p>Independent Opinion 7: Independent Opinion on the Matter on Estimated Amount of Ordinary Related Party Transactions</p>
4	24 April 2023	29th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Appointment of Senior Management Members of the Bank
5	28 April 2023	30th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on Adjusting the Matter on Estimated Amount of Ordinary Related Party Transactions
6	29 May 2023	31st meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd.</p> <p>Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Commercial Operation Co., Ltd.</p> <p>Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao No. 1 Courtyard Hotel Co., Ltd.</p> <p>Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Conson Development (Group) Co., Ltd.</p>

No.	Time	Name of Meeting	Name of Independent Opinion
7	2 June 2023	32nd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao OTC Market Clearance Centre Company Limited
8	29 June 2023	33rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Jiawa Cloud Network Technology Co., Ltd.(青島家哇雲網絡科技有限公司)
9	7 July 2023	34th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Nomination of Ms. Chen Shuang as the Candidate for executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 2: Independent Opinion on the Nomination of Mr. Du Ning as the Candidate for independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
10	19 July 2023	35th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Tsingtao Brewery Co., Ltd.
11	30 August 2023	37th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on External Guarantees and Funds Occupied by Related Parties
12	18 October 2023	39th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haitian (BVI) International Investment Development Limited

No.	Time	Name of Meeting	Name of Independent Opinion
13	27 December 2023	41st meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haiyuqingquan Hot Spring Hotel Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Mairui Ecological Environment Technology Co., Ltd. Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Tizhiwang IoT Technology Co., Ltd. Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haili Living Technology Co., Ltd.

(VII) Others

In 2023, I neither proposed to hold an extraordinary general meeting nor to convene a Board meeting, appoint or dismiss the accounting firm, or engage an external auditor and consulting institution independently.

III. WORK ON PROTECTING INVESTORS' INTERESTS

1. I have effectively fulfilled my duties as an independent director by actively participating in the meetings of the Board of Directors, the general meeting and the special committees meetings of the Board of Directors, seriously studying the various resolutions, verifying the actual situation, making use of my professional knowledge to make fair judgement on the matters contained in the resolutions and exercising my voting rights independently, objectively and prudently, thereby effectively safeguarding the legitimate rights and interests of the Bank and all the shareholders, in particular the rights and interests of the small and medium-sized shareholders.
2. I proactively studied and mastered the laws and regulations issued by the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange (SZSE) and the State Administration of Financial Supervision (SAFS) and other organizations as well as the relevant systems and regulations, to deepen my knowledge and understanding of the rules and regulations and corporate governance, and to continuously enhance my awareness to protect the rights and interests of the Bank and the public investors and duty performance ability.

3. I continued to pay attention to the Bank's information disclosure work and urged the Bank to strictly comply with the requirements of the laws and regulations such as *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board*, as well as the Bank's *Information Disclosure Management System*, so as to ensure that the disclosure of the Bank's information is truthful, accurate, timely and complete.
4. I maintained open communication channels with small and medium-sized investors, understood their demands and actively protected their rights and interests.

IV. OVERALL EVALUATION

In 2023, as an independent non-executive Director of Bank of Qingdao, I performed my duties conscientiously and diligently, insisted on fulfilling my duties and expressing independent opinions in accordance with relevant laws, regulations, normative documents and the requirements of the *Articles of Association* of the Bank, maintained efficient communication with the senior management, paid close attention to the development of the Bank, and was not under the influence of the major shareholders or other entities and individuals with interests in the Bank, and fully performed my role as an independent non-executive Director. In respect of my duty of loyalty, I actively safeguarded the overall interests of the Bank, have not accepted any improper benefits in the course of discharging my duties, have not made use of my position and power in the Bank to seek personal gains, didn't divulge the Bank's commercial secrets without authorization, didn't make use of my affiliation to undermine the interests of the Bank, didn't have any conflict of interest between my own duties and part-time work and my duties as an independent non-executive Director of the Bank, and truthfully informed the Bank of the relevant circumstances. The Bank of Qingdao has actively absorbed the opinions and suggestions put forward by me in the course of performing my duties and took forward the implementation in depth, so as to achieve steady and far-reaching development on the road of high-quality development.

In 2024, I will continue to earnestly participate in the meetings of the Board of Directors and special committees in accordance with requirements of domestic and foreign laws and regulations, express opinions independently and objectively, and perform my duties faithfully and diligently, actively participate in special investigations, come to the Bank for on-site work, bring my professional and independent nature into blossom, provide advice and suggestions for the Bank's business development, promote the Bank to achieve sustainable and high-quality development, and earnestly safeguard the legal rights and interests of the Bank and Shareholders, especially minority Shareholders.

This report is hereby given.

Independent Non-Executive Director: Zhang Xu

**PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS OF BANK OF QINGDAO CO., LTD. FOR 2023**
(Cheung Man Chor, Elton)

Dear Shareholders:

As an independent non-executive Director of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao” or “the Bank”), I performed my duties faithfully and diligently by strictly following the *Company Law*, the *Securities Law*, the *Corporate Governance Standards for Banking or Insurance Institutions*, the *Rules Governing Listing of Stocks on the Shenzhen Stock Exchange*, the *Articles of Association* of the Bank and other provisions and requirements, and shall not be influenced by major shareholders of the Bank, related parties, or other units or individuals having a material interest with the Bank and its major shareholders or related parties in 2023. I actively participated in meetings of the Board of Directors and its special committees, independently, objectively and impartially expressed opinions and suggestions on matters considered by the Board of Directors, and effectively safeguarded the legitimate rights and interests of the Bank, the small and medium-sized shareholders, and other stakeholders. I hereby report my performance of duties in 2023 as follows:

I. MY BASIC SITUATIONS

Born in September 1972, I have served as an independent non-executive Director of the Bank since April 2023, and currently serve as chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. Since May 2021, I have served as a group partner, chief strategy officer and chief legal officer of VMS Investment Group (HK) Limited.

II. PERFORMANCE OF DUTIES IN 2023

The Bank of Qingdao strongly supported the work of the independent Directors in performing our duties, continuously strengthened the support for our performance and provided all the necessary conditions for the independent Directors to perform our duties.

(I) Attendance

Upon my commencement of duties in April 2023, the Bank has held 2 general meetings, including 1 annual general meeting and 1 extraordinary general meeting, at which 10 resolutions were considered, and 4 reports were reviewed; the Board convened 13 meetings, 4 of which were on-site meetings and 9 of which were correspondence voting meetings, at which 37 resolutions were considered, and 31 reports were reviewed; each of the Board special committees organized a total of 27 meetings, including 1 Strategy Committee meeting, 4 Audit Committee meetings, 3 Nomination Committee meetings, 9 Risk Management and Consumer Rights Protection Committee meetings, 9 Related Party Transactions Control Committee meetings, 1 Network Security and Information Technology Committee meeting, 35 resolutions were considered, and 32 reports were received or reviewed.

As a member of the Board of Directors, chairman of the Nomination Committee, and a member of the Audit Committee and Remuneration Committee, I attended the general meeting, meetings of the Board of Directors and meetings of the special committees to which I belonged in person in accordance with the rules and regulations, and voted on the relevant resolutions on the basis of the principles of independence, objectivity and impartiality. I considered the resolutions on the appointment of senior management and nomination of Directors in a careful manner, reviewed quarterly reports, quarterly internal audit reports and other regular reports on a quarterly basis, reviewed and received the president's work report, semi-annual financial analysis and risk reports on comprehensive credit risk, market risk, and liquidity risk on a semi-annual basis. I also expressed objective and independent opinions at the meetings and performed my duties as an independent non-executive Director. Details of the attendance of the meetings were set out below:

Name of Director	Number of actual attendance/Number of scheduled attendance								
	General Meeting	Board of Directors	Special committee meetings of the Board of Directors						
			Strategy Committee	Remuneration Committee	Nomination Committee	Related Party Transactions Control Committee	Audit Committee	Risk Management and Consumer Rights Protection Committee	Network Security and Information Technology Committee
Cheung Man Chor, Elton	2/2	13/13	-	-	3/3	-	4/4	-	-

(II) Participation in training and research

1. Participation in research

In 2023, in addition to attending the meetings of the Board of Directors and special committees, I also conducted 2 special researches in the Bank through research forums and put forward relevant comments and suggestions. The specific researches were as follows:

(1) special research on the development of inclusive finance business

In June 2023, I participated in a special research on the development of the Bank's inclusive finance business, and learned about the basic situation of the development of the Bank's inclusive finance business, the effectiveness of the main work of the inclusive finance business as well as the next step of the development plan; and suggested that the management keep strengthening the importance of the inclusive finance business, and in line with the regulatory guidance, gathering the relevant departments to jointly enhance the intrinsic

motivation and initiative for the development of the business, completing the systematic construction of the inclusive finance business, and achieving the double enhancement of the social and economic benefits.

(2) *special research on the development of credit card business*

In October 2023, I participated in a special research on the development of the Bank's credit card business to understand the overall operation of the Bank's credit card business and risk management. I suggested that the management should further open up the communication channels between the Credit Card Department and the frontline of the service, enhance the responsiveness to the needs of the frontline work, provide timely and accurate guidance to customers, and improve the quality of services related to the credit card business.

2. *Participation in training*

In 2023, I participated in a number of training organized by regulatory authorities, industry self-discipline organizations, intermediaries and other entities, and my main participation was set out below:

- (1) I participated in the training organized by the Association of Listed Companies in China on the development, reform and outlook of the independent director system of listed companies, and gained an in-depth understanding of the establishment and development, its reforms and changes, as well as the outlook for the future of the independent director system.
- (2) I participated in the training organized by Qingdao Association of Listed Companies on the reform of the independent director system in Qingdao to strengthen the learning of the development and reform of the independent director system of listed companies as well as the key points of the performance of duties of independent directors.
- (3) I participated in domestic and overseas training on key laws and regulations organized by the regular legal team in domestic and overseas regions, in order to gain a deep understanding of the changes in relevant laws and regulations as well as regulatory developments, and to promote compliance in discharging duties.

(III) On-site office situation

In order to establish a sound on-site office mechanism for independent Directors, Bank of Qingdao has set up a special office for independent Directors. In 2023, I actively came to the Bank for on-site office work, in addition to coming to the Bank to participate in surveys, research and training, I also had in-depth discussions with many departments of Bank of Qingdao such as the Risk Management Department, Audit Department and Strategy Department to familiarize myself with the recent situation of the Bank's operation and

management and to give guidance. In order to fully understand the current situation of the Bank's corporate governance, I conducted special interviews with the secretary to the Board and the Securities Affairs Representative, and provided suggestions for improvement from a legal perspective to promote the continuous enhancement of the effectiveness of the Bank's corporate governance. I also went into the front line and visited the head office and the Haier Road Sub-branch, and held meetings with relevant responsible persons, keeping close attention to the operational situation.

(IV) Communication with internal auditors and accounting firms

In 2023, I actively communicated with the Bank's Audit Department and the accounting firm and conscientiously fulfilled my relevant duties by conducting regular inspections of the internal audit work of the Bank's Audit Department in the light of the actual situation of the Bank, supervising the establishment of the internal control mechanism of the Bank and its implementation, communicating with the accounting firm on the arrangement of the external audit work and the progress of the key work, and actively promoting the role of the Audit Department and the accounting firm in the daily and external audits of the Bank to safeguard the interests of all shareholders of the Bank.

(V) Work of the special meeting of independent Directors

Since September 2023, the Bank has not convened any special meeting of independent Directors as no circumstances requiring such a meeting have occurred. In accordance with the regulations of the *Management Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission* ("CSRC") and the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board* and other relevant regulations, as well as the relevant regulations for special meetings of independent Directors of the Bank, the Bank will commence the work relating to special meetings of independent Directors in 2024.

(VI) Issuance of independent opinions

In 2023, I focused on the lawfulness and fairness of major related party transactions and the appointment of senior management pursuant to the Articles of Association of the Bank, and issued my independent opinions. The details were as follows:

No.	Time	Name of Meeting	Name of Independent Opinion
1	24 April 2023	29th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Appointment of Senior Management Members of the Bank
2	28 April 2023	30th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on Adjusting the Matter on Estimated Amount of Ordinary Related Party Transactions

No.	Time	Name of Meeting	Name of Independent Opinion
3	29 May 2023	31st meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Commercial Operation Co., Ltd. Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao No.1 Courtyard Hotel Co., Ltd. Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Conson Development (Group) Co., Ltd.
4	2 June 2023	32nd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao OTC Market Clearance Centre Company Limited
5	29 June 2023	33rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Jiawa Cloud Network Technology Co., Ltd.(青島家哇雲網絡科技有限公司)
6	7 July 2023	34th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Nomination of Ms. Chen Shuang as the Candidate for Executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 2: Independent Opinion on the Nomination of Mr. Du Ning as the Candidate for Independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
7	19 July 2023	35th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Tsingtao Brewery Co., Ltd.
8	30 August 2023	37th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on External Guarantees and Funds Occupied by Related Parties
9	18 October 2023	39th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haitian (BVI) International Investment Development Limited

No.	Time	Name of Meeting	Name of Independent Opinion
10	27 December 2023	41st meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haiyuqingquan Hot Spring Hotel Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Mairui Ecological Environment Technology Co., Ltd. Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Tizhiwang IoT Technology Co., Ltd. Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haili Living Technology Co., Ltd.

(VII) Others

In 2023, I neither proposed to hold an extraordinary general meeting nor to convene a Board meeting, appoint or dismiss the accounting firm, or engage an external auditor and consulting institution independently.

III. WORK ON PROTECTING INVESTORS' INTERESTS

1. I have effectively fulfilled my duties as an independent Director by actively participating in the meetings of the Board of Directors, the general meeting and the special committees meetings of the Board of Directors, seriously studying the various resolutions, verifying the actual situation, making use of my professional knowledge to make fair judgement on the matters contained in the resolutions and exercising my voting rights independently, objectively and prudently, thereby effectively safeguarding the legitimate rights and interests of the Bank and all the shareholders, in particular the rights and interests of the small and medium-sized shareholders.
2. I proactively studied and mastered the laws and regulations issued by the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange (SZSE) and National Administration of Financial Regulation (NAFR) and other organizations as well as the relevant systems and regulations, to deepen my knowledge and understanding of the rules and regulations and corporate governance, and to continuously enhance my awareness to protect the rights and interests of the Bank and the public investors and duty performance ability.
3. I continued to pay attention to the Bank's information disclosure work and urged the Bank to strictly comply with the requirements of the laws and regulations such as *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the*

Companies Listed on the Main Board, as well as the Bank's *Information Disclosure Management System*, so as to ensure that the disclosure of the Bank's information is truthful, accurate, timely and complete.

4. I maintained open communication channels with small and medium-sized investors, understood their demands and actively protected their rights and interests.

IV. OVERALL EVALUATION

In 2023, as an independent non-executive Director of Bank of Qingdao, I performed my duties conscientiously and diligently, insisted on fulfilling my duties and expressing independent opinions in accordance with relevant laws, regulations, normative documents and the requirements of the *Articles of Association* of the Bank, maintained efficient communication with the senior management, paid close attention to the development of the Bank, and was not under the influence of the major shareholders or other entities and individuals with interests in the Bank, and fully performed my role as an independent non-executive Director. In respect of my duty of loyalty, I actively safeguarded the overall interests of the Bank, have not accepted any improper benefits in the course of discharging my duties, have not made use of my position and power in the Bank to seek personal gains, didn't divulge the Bank's commercial secrets without authorization, didn't make use of my affiliation to undermine the interests of the Bank, didn't have any conflict of interest between my own duties and part-time work and my duties as an independent non-executive Director of the Bank, and truthfully informed the Bank of the relevant circumstances. The Bank of Qingdao has actively absorbed the opinions and suggestions put forward by me in the course of performing my duties and took forward the implementation in depth, so as to achieve steady and far-reaching development on the road of high-quality development.

In 2024, I will continue to earnestly participate in the meetings of the Board of Directors and special committees in accordance with requirements of domestic and foreign laws and regulations, express opinions independently and objectively, and perform my duties faithfully and diligently, actively participate in special investigations, come to the Bank for on-site work, bring my professional and independent nature into blossom, provide advice and suggestions for the Bank's business development, promote the Bank to achieve sustainable and high-quality development, and earnestly safeguard the legal rights and interests of the Bank and Shareholders, especially minority Shareholders.

This report is hereby given.

Independent Non-Executive Director: Cheung Man Chor, Elton

**PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS OF BANK OF QINGDAO CO., LTD. FOR 2023****(Du Ning)**

Dear Shareholders:

As an independent non-executive Director of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao” or “the Bank”), I performed my duties faithfully and diligently by strictly following the *Company Law*, the *Securities Law*, the *Corporate Governance Standards for Banking or Insurance Institutions*, the *Rules Governing Listing of Stocks on the Shenzhen Stock Exchange*, the *Articles of Association* of the Bank and other provisions and requirements, and shall not be influenced by major shareholders of the Bank, related parties, or other units or individuals having a material interest with the Bank and its major shareholders or related parties in 2023. I actively participated in meetings of the Board of Directors and its special committees, independently, objectively and impartially expressed opinions and suggestions on matters considered by the Board of Directors, and effectively safeguarded the legitimate rights and interests of the Bank, the small and medium-sized shareholders, and other stakeholders. I hereby report my performance of duties in 2023 as follows:

I. MY BASIC SITUATIONS

Born in July 1977, I have served as an independent non-executive Director of the Bank since December 2023. Currently, I serve as chairman of the Network Security and Information Technology Committee and a member of the Remuneration Committee, the Related Party Transactions Control Committee and the Nomination Committee. Since July 2021, I have served as the chief executive officer of Regtek (Beijing) Technologies Co., Ltd.

II. THE PERFORMANCE OF DUTIES FOR 2023

The Bank of Qingdao strongly supported the work of the independent Directors in performing our duties, continuously strengthened the support for our performance and provided all the necessary conditions for the independent Directors to perform our duties.

(I) Attendance

Upon my commencement of duties in December 2023, the Bank has not held a general meeting; held 1 meeting of the Board of Directors correspondence voting meetings and considered 6 resolutions; and held 2 meetings of each of the Board special committees, including 1 meeting of the Risk Management and Consumer Rights Protection Committee, and 1 meeting of the Related Party Transactions Control Committee, and considered 6 resolutions.

As a member of the Board, chairman of the Network Security and Information Technology Committee, and a member of the Remuneration Committee, the Related Party Transactions Control Committee and the Nomination Committee, I reviewed the materials of the meetings in a careful manner and voted in accordance with the law at the meetings of the Board and the specialized committees to which I belong. The specific meeting attendance were as follows:

Number of actual attendance/Number of scheduled attendance										
Name of Director	General Meeting	Board of Directors	Special committee meetings of the Board of Directors							
			Strategy Committee	Remuneration Committee	Nomination Committee	Related Party Transactions Control Committee	Audit Committee	Risk Management and Consumer Rights Protection Committee	Network Security and Information Technology Committee	
Du Ning	-	1/1	-	-	-	-	1/1	-	-	-

(II) Participation in training

In 2023, I attended the special training on the reform of the independent director system in Qingdao organized by Qingdao Association of Listed Companies to strengthen my learning on the development and reform of the independent director system of listed companies and the performance of independent directors.

(III) Work of the special meeting of independent Directors

Since September 2023, the Bank has not convened any special meeting of independent Directors as no circumstances requiring such a meeting have occurred. In accordance with the regulations of the *Management Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission* (“CSRC”) and the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board* and other relevant regulations, as well as the relevant regulations for special meetings of independent Directors of the Bank, the Bank will commence the work relating to special meetings of independent Directors in 2024.

(IV) Issuance of independent opinions

In 2023, I focused on the lawfulness and fairness of major related party transactions, and issued independent opinions pursuant to the *Articles of Association* of the Bank. The details were as follows:

No.	Time	Name of Meeting	Name of Independent Opinion
1	27 December 2023	41st meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haiyuqingquan Hot Spring Hotel Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Maidirui Ecological Environment Technology Co., Ltd. Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Tizhiwang IoT Technology Co., Ltd. Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haili Living Technology Co., Ltd.

(V) Others

In 2023, I neither proposed to hold an extraordinary general meeting nor to convene a Board meeting, appoint or dismiss the accounting firm, or engage an external auditor and consulting institution independently.

III. WORK ON PROTECTING INVESTORS' INTERESTS

1. I have effectively fulfilled my duties as an independent Director by actively participating in the meetings of the Board of Directors and the special committees meetings of the Board of Directors, seriously studying the various resolutions, verifying the actual situation, making use of my professional knowledge to make fair judgement on the matters contained in the resolutions and exercising my voting rights independently, objectively and prudently, thereby effectively safeguarding the legitimate rights and interests of the Bank and all the shareholders, in particular the rights and interests of the small and medium-sized shareholders.
2. I proactively studied and mastered the laws and regulations issued by the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange (SZSE) and the National Administration of Financial Regulation (NAFR) and other organizations as well as the relevant systems and regulations, to deepen my knowledge and understanding of the rules and regulations and corporate governance, and to continuously enhance my awareness to protect the rights and interests of the Bank and the public investors and duty performance ability.
3. I continued to pay attention to the Bank's information disclosure work and urged the Bank to strictly comply with the requirements of the laws and regulations such as *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the*

Companies Listed on the Main Board, as well as the Bank's *Information Disclosure Management System*, so as to ensure that the disclosure of the Bank's information is truthful, accurate, timely and complete.

4. I maintained open communication channels with small and medium-sized investors, understood their demands and actively protected their rights and interests.

IV. OVERALL EVALUATION

In 2023, as an independent non-executive Director of Bank of Qingdao, I performed my duties conscientiously and diligently, insisted on fulfilling my duties and expressing independent opinions in accordance with relevant laws, regulations, normative documents and the requirements of the *Articles of Association* of the Bank, maintained efficient communication with the senior management, paid close attention to the development of the Bank, and was not under the influence of the major shareholders or other entities and individuals with interests in the Bank, and fully performed my role as an independent non-executive Director. In respect of my duty of loyalty, I actively safeguarded the overall interests of the Bank, have not accepted any improper benefits in the course of discharging my duties, have not made use of my position and power in the Bank to seek personal gains, didn't divulge the Bank's commercial secrets without authorization, didn't make use of my affiliation to undermine the interests of the Bank, didn't have any conflict of interest between my own duties and part-time work and my duties as an independent non-executive Director of the Bank, and truthfully informed the Bank of the relevant circumstances.

In 2024, I will continue to earnestly participate in the meetings of the Board of Directors and special committees in accordance with requirements of domestic and foreign laws and regulations, express opinions independently and objectively, and perform my duties faithfully and diligently, actively participate in special investigations, come to the Bank for on-site work, bring my professional and independent nature into blossom, provide advice and suggestions for the Bank's business development, promote the Bank to achieve sustainable and high-quality development, and earnestly safeguard the legal rights and interests of the Bank and Shareholders, especially minority Shareholders.

This report is hereby given.

Independent Non-Executive Director: Du Ning

**PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS OF BANK OF QINGDAO CO., LTD. FOR 2023****(Simon Cheung)**

Dear Shareholders:

As an independent non-executive Director of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao” or “the Bank”), I performed my duties faithfully and diligently by strictly following the *Company Law*, the *Securities Law*, the *Corporate Governance Standards for Banking or Insurance Institutions*, the *Rules Governing Listing of Stocks on the Shenzhen Stock Exchange*, the *Articles of Association* of the Bank and other provisions and requirements, and shall not be influenced by major shareholders of the Bank, related parties, or other units or individuals having a material interest with the Bank and its major shareholders or related parties in 2023. I actively participated in meetings of the Board of Directors and its special committees, independently, objectively and impartially expressed opinions and suggestions on matters considered by the Board of Directors, and effectively safeguarded the legitimate rights and interests of the Bank, the small and medium-sized shareholders, and other stakeholders. I hereby report my performance of duties in 2023 as follows:

I. MY BASIC SITUATIONS

Born in July 1970, I had served as an independent non-executive Director of the Bank of Qingdao since July 2017 and resigned in December 2023. Previously, I served as the chairman of the Network Security and Information Technology Committee and a member of the Remuneration Committee, the Related Party Transactions Control Committee and the Nomination Committee. Since July 2023, I have served as a director of Lufax Holding Technology Center of Ping An Puhui Enterprise Management Co., Ltd.

II. PERFORMANCE OF DUTIES IN 2023

The Bank of Qingdao strongly supported the work of the independent Directors in performing our duties, continuously strengthened the support for our performance and provided all the necessary conditions for the independent Directors to perform our duties.

(I) Attendance

During my term of office, Bank of Qingdao convened 3 general meetings, including 1 annual general meeting and 2 extraordinary general meetings, at which 16 resolutions were considered, and 4 reports were reviewed; the Board convened 18 meetings, 6 of which were on-site meetings and 12 of which were correspondence voting meetings, at which 71 resolutions were considered, and 63 reports were reviewed; each of the Board special committees organized 46 meetings, including 5 Strategy Committee meetings, 2 Remuneration Committee meetings, 8 Audit Committee meetings, 5 Nomination Committee meetings, 11 Risk Management and Consumer Rights Protection Committee meetings, 12 Related Party

Transactions Control Committee meetings, and 3 Network Security and Information Technology Committee meetings, at which 68 resolutions were considered, and 59 reports were received or reviewed.

As a member of the Board, chairman of the Network Security and Information Technology Committee, and a member of the Remuneration Committee, the Related Party Transactions Control Committee and the Nomination Committee, I attended the general meeting, meetings of the Board of Directors and meetings of the special committees to which I belonged in person in accordance with the rules and regulations, and voted on the relevant resolutions on the basis of the principles of independence, objectivity and impartiality. With the exception of the attendance at the 28th meeting of the eighth session of the Board of Directors, the 13th meeting of the eighth session of the Related Party Transactions Control Committee and the 5th meeting of the eighth session of the Remuneration Committee which I delegated to Zhang Xu, an independent Director in accordance with the laws and regulations due to the arrangements for my official duties. I reviewed quarterly reports, quarterly internal audit reports and other regular reports on a quarterly basis, reviewed and received the president's work report, semi-annual financial analysis and risk reports on comprehensive credit risk, market risk, and liquidity risk on a semi-annual basis, and reviewed and received the annual reports, financial final reports, profit distribution proposals, business operation risk appetite plans, bonus performance disbursement plans, and financial market risk, anti-money laundering risk and other risk reports on an annual basis, and voted objectively at the meetings. I also expressed objective and independent opinions at the meetings and performed my duties as an independent non-executive director. Details of the attendance of the meetings were set out below:

Number of actual attendance/Number of scheduled attendance									
Name of Director	General Meeting	Board of Directors	Special committee meetings of the Board of Directors						
			Strategy Committee	Remuneration Committee	Nomination Committee	Related Party Transactions Control Committee	Audit Committee	Risk Management and Consumer Rights Protection Committee	Network Security and Information Technology Committee
Simon Cheung	3/3	17/18	-	1/2	5/5	11/12	-	-	3/3

(II) Participation in training and research

1. Participation in research

In 2023, in addition to attending the meetings of the Board of Directors and special committees, I also conducted 2 special researches in the Bank through research forums and put forward relevant comments and suggestions. The specific researches were as follows:

(1) *special research on the development of inclusive finance business*

In June 2023, I participated in a special research on the development of the Bank's inclusive finance business, and learned about the basic situation of the development of the Bank's inclusive finance business, the effectiveness of the main work of the inclusive finance business as well as the next step of the development plan. I recommended that the management strengthen the construction of the talent team, absorb data technology talents, implement differentiated assessment, and improve the framework analysis ability, data control ability, macro-adjustment ability, and risk identification and control ability of staff of inclusive finance business through learning and training, so as to promote the implementation of the inclusive finance business on the ground.

(2) *special research on the development of credit card business*

In October 2023, I participated in a special research on the development of the Bank's credit card business to understand the overall operation of the Bank's credit card business and risk management; It is recommended that management conduct in-depth mining of customer behavioural information on the premise of protecting customer privacy in accordance with regulations. By improving the construction of professional personnel and utilising artificial intelligence, deep learning and other technical means, efficient data mining can be achieved. By building clear customer profiles and segmenting customer groups, we apply the results of data mining to locate target customer segments, gain insight into customer needs, and assist other business areas in marketing and customer acquisition. By predicting and analysing customers' creditworthiness and default probability, we can monitor potential risks and improve risk control, and ultimately realise the value of the data.

2. *Participation in training*

In 2023, I participated in a number of training organized by regulatory authorities, industry self-discipline organizations, intermediaries and other entities, and my main participation was set out below:

- (1) I participated in the training of "Policy Interpretation of the Reform of the Registration System for Listed Companies" organized by Qingdao Securities Regulatory Bureau and learned in-depth about the revised thinking and key points of the reform of the refinancing and M&A and restructuring systems for listed companies under the registration system.

- (2) I participated in the training organized by the Association of Listed Companies in China on the development, reform and outlook of the independent director system of listed companies, and gained an in-depth understanding of the establishment and development, its reforms and changes, as well as the outlook for the future of the independent director system.
- (3) I participated in the continuous supervision training organized by CITIC Securities, the sponsor, and conducted in-depth learning on three topics, namely, analysis of the impact of the registration system on refinancing, notes on the use of fund-raising, and disclosure of information by listed companies.
- (4) I participated in domestic and overseas training on key laws and regulations organized by the regular legal team in domestic and overseas regions, in order to gain a deep understanding of the changes in relevant laws and regulations as well as regulatory developments, and to promote compliance in discharging duties.

(III) On-site Office Situation

In order to establish a sound on-site office mechanism for independent Directors, Bank of Qingdao has set up a special office for independent Directors. In 2023, I actively came to the Bank for on-site office work, in addition to coming to the Bank to participate in surveys, research and training, I also held in-depth discussions with the Bank of Qingdao's Data Management Department, Information Technology Department, Risk Management Department and other departments, in order to fully understand the recent situation of the Bank's operation and management; I also went into the front line and visited the Business Department of the Bank's Head Office and Bank's branches such as the Haier Road Sub-branch, and held meetings with relevant responsible persons, keeping close attention to the operational situation.

(IV) Communication with Internal Auditors and Accounting Firms

In 2023, I actively communicated with the Bank's Audit Department and the accounting firm and conscientiously fulfilled my relevant duties by conducting regular inspections of the internal audit work of the Bank's Audit Department in the light of the actual situation of the Bank, supervising the establishment of the internal control mechanism of the Bank and its implementation, communicating with the accounting firm on the arrangement of the external audit work and the progress of the key work, and actively promoting the role of the Audit Department and the accounting firm in the daily and annual audits of the Bank to safeguard the interests of all shareholders of the Bank.

(V) Work of the Special Meeting of Independent Directors

Since September 2023, the Bank has not convened any special meeting of independent directors as no circumstances requiring such a meeting have occurred. In accordance with the regulations of the *Management Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission* ("CSRC") and the *Self-regulatory Guidelines for the*

Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board and other relevant regulations, as well as the relevant regulations for special meetings of independent directors of the Bank, the Bank will commence the work relating to special meetings of independent directors in 2024.

(VI) Issuance of Independent Opinions

In 2023, I focused on the lawfulness and fairness of major related party transactions, the profit distribution plan, and issued independent opinions pursuant to the *Articles of Association* of the Bank. The details were as follows:

No.	Time	Name of Meeting	Name of Independent Opinion
1	18 January 2023	23rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Resignation of President Wang Lin Independent Opinion 2: Independent Opinion on the Appointment of Mr. Wu Xianming as President of Bank of Qingdao Co., Ltd. Independent Opinion 3: Independent Opinion on the Nomination of Mr. Wu Xianming as the Candidate for Executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 4: Independent Opinion on the Nomination of Mr. Cheung Man Chor, Elton as the Candidate for Independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
2	29 March 2023	27th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haier Financial Factoring (Chongqing) Co., Ltd. Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd.

No.	Time	Name of Meeting	Name of Independent Opinion
3	31 March 2023	28th meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the <i>Profit Distribution Plan of Bank of Qingdao Co., Ltd. for 2022</i></p> <p>Independent Opinion 2: Independent Opinion on the Engagement of External Auditors of Bank of Qingdao Co., Ltd. for 2023 and their Remuneration</p> <p>Independent Opinion 3: Independent Opinion on the Appropriation of Staff Bonus and the Distribution of Performance Bonus of Senior Management at Bank Level for 2022</p> <p>Independent Opinion 4: Independent Opinion on 2022 Internal Control Evaluation Report</p> <p>Independent Opinion 5: Independent Opinion on External Guarantees and Funds Occupied by Related Parties</p> <p>Independent Opinion 6: Independent Opinion on the situation of Company's Derivatives Investment and Risk Control</p> <p>Independent Opinion 7: Independent Opinion on the Matter on Estimated Amount of Ordinary Related Party Transactions</p>
4	24 April 2023	29th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Appointment of Senior Management Members of the Bank
5	28 April 2023	30th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on Adjusting the Matter on Estimated Amount of Ordinary Related Party Transactions
6	29 May 2023	31st meeting of the 8th session of the Board of Directors	<p>Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Life Service Group Co., Ltd.</p> <p>Independent Opinion 2: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Haishanghai Commercial Operation Co., Ltd.</p> <p>Independent Opinion 3: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao No.1 Courtyard Hotel Co., Ltd.</p> <p>Independent Opinion 4: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Conson Development (Group) Co., Ltd.</p>
7	2 June 2023	32nd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao OTC Market Clearance Centre Company Limited

No.	Time	Name of Meeting	Name of Independent Opinion
8	29 June 2023	33rd meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Qingdao Jiawa Cloud Network Technology Co., Ltd.(青島家哇雲網絡科技有限公司)
9	7 July 2023	34th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Nomination of Ms. Chen Shuang as the Candidate for Executive Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd. Independent Opinion 2: Independent opinion on the Nomination of Mr. Du Ning as the Candidate for Independent Director of the Eighth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
10	19 July 2023	35th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Tsingtao Brewery Co., Ltd.
11	30 August 2023	37th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on External Guarantees and Funds Occupied by Related Parties
12	18 October 2023	39th meeting of the 8th session of the Board of Directors	Independent Opinion 1: Independent Opinion on the Related Party Transactions between Bank of Qingdao Co., Ltd. and Haitian (BVI) International Investment Development Limited

(VII) Others

In 2023, I neither proposed to hold an extraordinary general meeting nor to convene a Board meeting, appoint or dismiss the accounting firm, or engage an external auditor and consulting institution independently.

III. WORK ON PROTECTING INVESTORS' INTERESTS

1. I have effectively fulfilled my duties as an independent director by actively participating in the meetings of the Board of Directors, the general meeting and the special committees meetings of the Board of Directors, seriously studying the various resolutions, verifying the actual situation, making use of my professional knowledge to make fair judgement on the matters contained in the resolutions and exercising my voting rights independently, objectively and prudently, thereby effectively safeguarding the legitimate rights and interests of the Bank and all the shareholders, in particular the rights and interests of the small and medium-sized shareholders.
2. I proactively studied and mastered the laws and regulations issued by the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange (SZSE) and the State Administration of Financial Supervision (SAFS) and other organizations as well as the relevant

systems and regulations, to deepen my knowledge and understanding of the rules and regulations and corporate governance, and to continuously enhance my awareness to protect the rights and interests of the Bank and the public investors and duty performance ability.

3. I continued to pay attention to the Bank's information disclosure work and urged the Bank to strictly comply with the requirements of the laws and regulations such as *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board*, as well as the Bank's *Information Disclosure Management System*, so as to ensure that the disclosure of the Bank's information is truthful, accurate, timely and complete.
4. I maintained open communication channels with small and medium-sized investors, understood their demands and actively protected their rights and interests.

IV. OVERALL EVALUATION

In 2023, as an independent non-executive Director of Bank of Qingdao, I performed my duties conscientiously and diligently, insisted on fulfilling my duties and expressing independent opinions in accordance with relevant laws, regulations, normative documents and the requirements of the *Articles of Association* of the Bank, maintained efficient communication with the senior management, paid close attention to the development of the Bank, and was not under the influence of the major shareholders or other entities and individuals with interests in the Bank, and fully performed my role as an independent non-executive Director. In respect of my duty of loyalty, I actively safeguarded the overall interests of the Bank, have not accepted any improper benefits in the course of discharging my duties, have not made use of my position and power in the Bank to seek personal gains, didn't divulge the Bank's commercial secrets without authorization, didn't make use of my affiliation to undermine the interests of the Bank, didn't have any conflict of interest between my own duties and part-time work and my duties as an independent non-executive Director of the Bank, and truthfully informed the Bank of the relevant circumstances. The Bank of Qingdao has actively absorbed the opinions and suggestions put forward by me in the course of performing my duties and took forward the implementation in depth, so as to achieve steady and far-reaching development on the road of high-quality development.

This report is hereby given.

Independent Non-Executive Director: Simon Cheung

**EVALUATION REPORT OF THE MAJOR SHAREHOLDERS OF
BANK OF QINGDAO CO., LTD. FOR 2023**

To Shareholders:

In accordance with the *Regulatory Measures for the Behavior of Major Shareholders of Banking and Insurance Institutions (for Trial Implementation)* (hereinafter referred to as the “*Regulatory Measures for Major Shareholders*”) and in order to continuously improve the equity management of the Bank of Qingdao Co., Ltd. (hereinafter referred to as the “Bank”), the Bank conducted evaluation on relevant conditions of major Shareholders of the Bank for 2023. The conditions of the evaluation are as follows:

I. EVALUATION TARGETS

According to Article 3 of the *Regulatory Measures for Major Shareholders*, major shareholders of commercial banks refer to shareholders meeting one of the following conditions:

Holding more than 15% of equity interests in large state-owned commercial banks, national joint-stock commercial banks, foreign-funded corporate banks, privately owned banks, insurance institutions, financial asset management companies, financial leasing companies, consumer financial companies, automobile financial companies and other institutions; holding more than 10% of equity interests in city commercial banks, rural commercial banks and other institutions; actually holding the most equity interests in banking and insurance institutions with a shareholding proportion of no less than 5% (including shareholders holding the same number of shares); nominating more than two directors; having controlling influence over the operation and management of banking and insurance institutions in the opinions of the board of directors of the banking and insurance institutions; and other circumstances recognized by the National Administration of Financial Regulation (hereinafter referred to as the “NAFR”) or its dispatched offices. The shareholding proportions of Shareholders and their related parties and persons acting in concert shall be calculated on an aggregated basis. If the total shareholding proportion meets the above requirements, the relevant Shareholders shall be considered as major Shareholders.

According to such provisions and as of the end of 2023, the Bank had three major Shareholders, each with a shareholding of more than 10%, and the three major shareholders were Haier Group Corporation (hereinafter referred to as the “Haier Group”), Intesa Sanpaolo S.p.A. (hereinafter referred to as the “ISP”) and Qingdao Conson Development (Group) Co., Ltd. (hereinafter referred to as the “Conson Group”).

II. EVALUATION CONTENTS AND BASIS**(I) Evaluation contents**

In accordance with the requirements of the *Regulatory Measures for Major Shareholders* and with reference to the *Interim Measures for the Equity Management of Commercial Banks*, the *Measures on Administrative Licensing Items on Chinese-Funded Commercial Banks*, the *Notice on Further Strengthening the Management of Shareholders’ Commitments of Banking*

and Insurance Institutions, the Notice on Strengthening the Review of Qualifications of Major Shareholders of Small and Medium-sized Commercial Banks and the Articles of Association of the Bank, the Bank carried out evaluation on the shareholders' qualification, financial conditions, equity interests held, related party transactions, the exercise of shareholders' rights, the performance of obligations and undertakings, the implementation of the Articles of Association of the Bank and the terms of agreements, the compliance with laws, regulations and regulatory rules of major Shareholders in 2023.

(II) Evaluation basis

The Bank carried out evaluation on major Shareholders based on the following information:

1. The self-evaluation form filled by major Shareholders;
2. The financial information provided by major Shareholders;
3. The letters of undertaking and the statements signed by major Shareholders;
4. The attendance of major Shareholders at the general meetings;
5. The performance of duties by directors dispatched by major Shareholders;
6. The list of related parties submitted by major Shareholders with undertakings on its truthfulness, accuracy and completeness;
7. Related party transactions carried out between major Shareholders and their related parties with the Bank;
8. Public information on the National Enterprise Credit Information Publicity System, the China Enforcement Information Disclosure Website and the official websites of the CSRC and the NAFR.

III. APPRAISAL RESULTS

(I) Shareholders' qualifications and financial conditions

1. Haier Group and Conson Group

Established on 24 March 1980, Haier Group Corporation, with unified social credit code 91370200163562681G and Zhou Yunjie as its legal representative, has a registered capital of RMB311.18 million. Established on 17 July 2008, Conson Group, with unified social credit code 913702006752895001 and Liu Luqiang as its legal representative, has a registered capital of RMB3 billion.

The two companies have the capacity of legal persons; have a good corporate governance structure and an effective organizational management method; have a good social reputation, integrity record and tax payment record, and are able to repay the principal and interest of the loans to financial institutions in full and on time; have a long development period and stable operating conditions; have a strong operation and management capabilities and financial strength; have a good financial status; and have continuously remained profitable from 2020 to 2022 and the first nine months of 2023. As at the end of September 2023, the net assets after the allocation at the end of the year accounted for over 30% of their total assets on the basis of consolidated financial statements; and the balance of equity investments accounted for no more than 50% of their net assets on the basis of consolidated financial statements.¹

2. *ISP*

ISP was established on 5 January 2007 (through merger of UniCredit SpA (意大利聯合銀行) and Sanpaolo Imi S.p.A. (意大利聖保羅意米銀行)), with commercial register No.00799960158, Gian Maria GROS-PIETRO as its legal representative and a registered capital of EUR10,369 million.

ISP has an outstanding credit rating for a long term with the Moody's rating of Baa1 from 2022 to 2023. It has a good financial status and has continuously remained profitable from 2021 to 2022 and the first nine months of 2023. Its capital adequacy ratio as at the end of 2022 and the end of September 2023 reached the average level in the banking industry in Italy and was no less than 10.5%. The ISP has a sound internal control mechanism, and the place where it was incorporated has complete financial regulation systems and the country where it was located has stable economy.

None of the three major Shareholders was found to be under the following circumstances by the Bank: having evident weakness or deficiency in its corporate governance structure and mechanism; having a large number of affiliates, a complex or an insufficiently transparent equity ownership structure, and engaging in frequent or unusual related party transactions; failing to identify the core business or having a business scope covering too many industrial sectors; its cash flow fluctuations being highly susceptible to economic climate; having a liability-asset ratio or financial leverage ratio higher than the industry average level; or holding equity interest in the Bank on behalf of others.

1 For the time being, this report assesses the shareholders' qualifications of the major Shareholders based on the financial reporting period set out in the text. After the major Shareholder has subsequently completed the preparation of the financial statements at the end of 2023 and provided them to the Bank, the assessment of the shareholders' qualifications of the major Shareholders will be conducted by the secretarial organization of the Board of Directors of the Bank on the basis of the financial data at the end of 2023.

(II) Equity interests held

As of the end of 2023, the shareholding conditions of major Shareholders of the Bank are as follows:

No.	Name of shareholders	Number of shares held (share)	Shareholding proportion
1	Haier Group	1,055,878,943	18.14%
	Qingdao Haier Industrial Development Co., Ltd.	532,601,341	9.15%
	Qingdao Haier Air-Conditioner Electronics Co., Ltd.	284,299,613	4.88%
	Haier Smart Home Co., Ltd.	188,886,626	3.25%
	COSMOPlat Mould (Qingdao) Co., Ltd.	22,420,672	0.39%
	Qingdao Haier Tooling Development Co., Ltd.	16,305,943	0.28%
	Qingdao Manniq Intelligent Technology Co., Ltd.	7,745,322	0.13%
	Qingdao Haier Air-Conditioner Co., Ltd.	2,412,951	0.04%
	Qingdao Haier Special Refrigerator Co., Ltd.	1,206,475	0.02%
2	ISP	1,018,562,076	17.50%
3	Conson Group	872,471,173	14.99%
	Qingdao Conson Industrial Co., Ltd.	654,623,243	11.25%
	Haitian (HK) Holdings Limited	217,847,280	3.74%
	Qingdao Guoxin Capital Investment Co., Ltd.	650	0.00001%

Major Shareholders of the Bank have remained stable over the years since their investment and there were no frequent changes in shareholdings or reductions in shareholdings of the Bank. Major shareholders supported the Bank in establishing a healthy and stable shareholding structure with mutual checks and balances, and did not hinder other shareholders from acquiring shares. The acquisition of the above equity interests by major Shareholders of the Bank has been approved by and filed with regulatory authorities as required and there was no situation where they hold more than 5% of the total shares of the Bank without the approval of regulatory authorities. There was no direct or indirect cross-shareholding with the Bank or the transfer of equity interests in violation of regulations. There was no situation where they entrusted others or being entrusted to hold the shares of the Bank. There was no equity pledge and the equity interests held were not subject to lawsuits, arbitrations or compulsory measures imposed by judiciary authorities.

(III) Related party transactions

The related party transactions between the Bank and major Shareholders were carried out in compliance with laws and regulations with fair pricing, and the concentration of related party transactions complied with regulatory requirements. As of the end of 2023, the related party transactions between the Bank and major Shareholders were as follows:

1. Haier Group and its related parties: the balance of the credit transactions was RMB1.562 billion (3.45% of net capital of the Bank), the balance of the deposit transactions was RMB385 million, and there were no other non-credit related party transactions;
2. ISP and its related parties: there was no balance of credit-related transactions, the balance of deposit transactions was RMB125 million, and the actual amount of other non-credit transactions was RMB0.7 million;
3. Conson Group and its related parties: the balance of credit-related transactions was RMB554 million (1.22% of net capital of the Bank), the balance of deposit transactions was RMB24 million, and the actual amount of other non-credit transactions was RMB21 million.

The related party transactions between the Bank and major Shareholders were normal businesses within the scope of business of commercial banks and the credit quality of the related party transactions was above the average level across the Bank. The Bank performed review, approval, reporting, filing disclosing information and other relevant procedures on the related party transactions with major Shareholders in accordance with relevant laws and regulations as well as the unified provisions of the systems of the Bank. There was no situation where major Shareholders are found to conduct related party transactions with the Bank through improper manners or seek improper benefits by leveraging on their influence on the Bank.

(IV) Exercise of Shareholders' rights and performance of responsibilities, obligations and undertakings

Major shareholders of the Bank were able to properly exercise shareholders' rights and practically perform responsibilities and obligations. The Bank and major shareholders were independent of each other in terms of business, organization, personnel, finance and assets. The Bank has an independent and complete business system and autonomous operational capability, and it was not aware of any unauthorized occupation of the Bank's funds by major shareholders and its related parties. Major shareholders prudently exercised the right to nominate Directors of the Bank and did not dispatch senior management to the Bank. Major shareholders participated in major decision-making by the Bank through attending the general meetings and the Directors dispatched to the Board of Directors of the Bank and carried out businesses based on the authorization plans of the general meetings, the Board of Directors and the senior management. No major Shareholders were found to interfere in the operation and

management of the Bank in violation of regulations or beyond their authorities. Major Shareholders cooperated in reporting their operation conditions, financial information and shareholding structures and performed the information reporting obligation in a timely manner. The Bank was not aware of any situation in which a major shareholder has used its influence to jeopardize the legitimate interests of the Bank and other stakeholders.

No major Shareholders were found to violate their undertakings. Major Shareholders of the Bank carefully implemented the requirements of notices issued by regulatory authorities, signed the letters of undertaking of major Shareholders and the statements of major Shareholders based on the content templates issued by regulatory authorities without arbitrarily deleting undertakings or modifying the contents of the templates. For the performance of undertakings in the statement category, all major Shareholders contributed with their own funds without holding shares in the Bank through financial products or providing inaccurate or incomplete information. For the performance of undertakings in the compliance category, no major Shareholders interfered with the daily operation of the Bank, imposed improper indicator pressures on the Bank, interfered in the decision-making and operation of the Board of Directors and senior management of the Bank or sought improper benefits. They were not involved in circumstances damaging the legitimate rights and interests of depositors, the Bank and other stakeholders. For the performance of statements on due diligence, major Shareholders maintained sound operation and capital conditions and committed to continuously supplement capitals to the Bank.

(V) Implementation of the Articles of Association of the Bank and terms of agreements

Major Shareholders of the Bank were able to earnestly implement the Articles of Association and the terms of agreements of the Bank. Major Shareholders reported the information on their related parties and other joint-stock Chinese-funded commercial banks to the Bank in a timely manner in accordance with regulatory rules. They were not involved in damaging the benefits of the creditors of the Bank, seeking improper benefits or interfering in the decision-making and operation of the Board of Directors and senior management of the Bank under the Articles of Association. Major Shareholders performed the contribution obligation in strict compliance with laws and regulations, supported the Board of Directors of the Bank in formulating reasonable capital plans. The agreements entered into between major Shareholders and their related companies with the Bank are business contracts and relevant companies were able to perform the provisions in the contracts.

(VI) Compliance with laws, regulations and regulatory rules

Major Shareholders of the Bank were able to abide by laws, regulations and regulatory rules. Major Shareholders did not hold shares in the Bank through the issuance, management or controlling of financial products in other manners. They were able to explain their shareholding structure to their actual controllers and ultimate beneficiaries level by level as well as their related relationship or acting in concert with other Shareholders. The number of commercial banks invested and controlled by major Shareholders and their related parties and

parties acting in concert as their major shareholders was no more than 2 and 1, respectively, which effectively prevented the conflicts of interest with the Bank in respect of application and shareholding behavior, governance practices, equity pledges and related party transactions.

No major Shareholders were found to be involved in the following circumstances: being listed as a joint subject of punishment for dishonesty by relevant authorities; having serious evasion of bank debts; providing false materials or making false statements; being materially responsible for a commercial bank's operational failure or major violations of laws and regulations; refusing or preventing the NAFR or its dispatched offices from performing supervision according to laws; being subject to investigation and punishment by financial regulatory authorities or relevant government departments due to violation of laws and regulations, resulting in adverse impact; and other circumstances that may adversely affect the operation and management of the Bank.

This report is hereby given.

NOTICE OF 2023 ANNUAL GENERAL MEETING

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BQD  青岛银行
Bank of Qingdao Co., Ltd.*
青島銀行股份有限公司*

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

(H Shares Stock Code: 3866)

NOTICE OF 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 annual general meeting (the “**2023 AGM**”) of Bank of Qingdao Co., Ltd. (the “**Bank**”) will be held at No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province, the People's Republic of China (the “**PRC**”), at 9:00 a.m. on Friday, 31 May 2024 for the purposes of considering and, if thought fit, passing the following resolutions:

MATTERS TO BE CONSIDERED

Proposal Number	Resolutions
1.00	Resolution 1: Work Report of the Board of Directors of Bank of Qingdao Co., Ltd. for 2023
2.00	Resolution 2: Work Report of the Board of Supervisors of Bank of Qingdao Co., Ltd. for 2023
3.00	Resolution 3: Report for Final Financial Accounts of Bank of Qingdao Co., Ltd. for 2023
4.00	Resolution 4: Profit Distribution Plan of Bank of Qingdao Co., Ltd. for 2023
5.00	Resolution 5: Resolution on the Engagement of External Auditors of Bank of Qingdao Co., Ltd. for 2024 and their Remuneration
	Resolution 6: Resolution on the Election of Directors of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.00	Election of Non-executive Directors and Executive Directors
6.01	Election of Mr. Zhou Yunjie as a Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.

NOTICE OF 2023 ANNUAL GENERAL MEETING

Proposal Number	Resolutions
6.02	Election of Mr. Rosario Strano as a Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.03	Election of Ms. Tan Lixia as a Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.04	Election of Mr. Giamberto Giraldo as a Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.05	Election of Mr. Deng Youcheng as a Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.06	Election of Mr. Jing Zailun as an Executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.07	Election of Mr. Wu Xianming as an Executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.08	Election of Ms. Chen Shuang as an Executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
6.09	Election of Mr. Liu Peng as an Executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
7.00	Election of Independent Non-executive Directors
7.01	Election of Mr. Xing Lecheng as an Independent Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
7.02	Election of Mr. Zhang Xu as an Independent Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
7.03	Election of Mr. Cheung Man Chor, Elton as an Independent Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
7.04	Election of Mr. Du Ning as an Independent Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.
7.05	Election of Mr. Fan Xuejun as an Independent Non-executive Director of the Ninth Session of the Board of Directors of Bank of Qingdao Co., Ltd.

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**Proposal
Number**

Resolutions

- 8.00 Resolution 7: Resolution on the Election of Supervisors of the Ninth Session of the Board of Supervisors of Bank of Qingdao Co., Ltd.
- 8.01 Election of Mr. He Liangjun as the Shareholder Supervisor of the Ninth Session of the Board of Supervisors of Bank of Qingdao Co., Ltd.
- 8.02 Election of Mr. Hao Xianjing as an External Supervisor of the Ninth Session of the Board of Supervisors of Bank of Qingdao Co., Ltd.
- 8.03 Election of Mr. Jiang Xinglu as an External Supervisor of the Ninth Session of the Board of Supervisors of Bank of Qingdao Co., Ltd.
- 8.04 Election of Mr. Lu Kun as an External Supervisor of the Ninth Session of the Board of Supervisors of Bank of Qingdao Co., Ltd.
- 9.00 Resolution 8: Resolution on the Estimated Amount of the Ordinary Related Party Transactions of Bank of Qingdao Co., Ltd. for 2024
- 10.00 Resolution 9: Special Report on Related Party Transactions of Bank of Qingdao Co., Ltd. for 2023
- 11.00 Resolution 10: Resolution on Capital Planning and Capital Adequacy Ratio Management Plan of Bank of Qingdao Co., Ltd. for 2024-2026
- 12.00 Resolution 11: Resolution on the Amendments to the Articles of Association of Bank of Qingdao Co., Ltd.
- 13.00 Resolution 12: Resolution on the Amendments to the Rules of Procedure of the Shareholders' General Meeting of Bank of Qingdao Co., Ltd.
- 14.00 Resolution 13: Resolution on the Amendments to the Rules of Procedure of the Board of Directors of Bank of Qingdao Co., Ltd.
- 15.00 Resolution 14: Resolution on the general mandate for the issue of shares by Bank of Qingdao Co., Ltd.
- 16.00 Resolution 15: Resolution on Amendments to the Plan on Authorisation to the Board Granted by the General Meeting of Bank of Qingdao Co., Ltd.

The above Resolutions 11 to 15 (namely Proposals No. 12.00 to 16.00) are special resolutions and the remaining Resolutions are ordinary resolutions. Cumulative voting method is adopted for the above Proposal No. 7.00 only.

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MATTERS TO BE REPORTED

1. Evaluation Report on the Performance of Duties by the Board of Directors and Directors of Bank of Qingdao Co., Ltd. for 2023
2. Evaluation Report on the Performance of Duties by the Supervisors of Bank of Qingdao Co., Ltd. for 2023
3. Evaluation Report on Performance of Duties of the Senior Management and Senior Executives of Bank of Qingdao Co., Ltd. for 2023
4. Performance Report of the Independent Non-executive Directors of Bank of Qingdao Co., Ltd. for 2023
5. Evaluation Report of the Major Shareholders of Qingdao Co., Ltd. for 2023

By order of the Board
Bank of Qingdao Co., Ltd.*
Jing Zailun
Chairman

Qingdao, Shandong Province, the PRC
10 May 2024

As at the date of this notice, the board of directors of the Bank comprises Mr. Jing Zailun, Mr. Wu Xianming, Ms. Chen Shuang and Mr. Liu Peng as executive directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Ms. Tan Lixia, Mr. Marco Mussita and Mr. Deng Youcheng as non-executive directors; Ms. Fang Qiaoling, Mr. Xing Lecheng, Mr. Zhang Xu, Mr. Cheung Man Chor, Elton and Mr. Du Ning as independent non-executive directors.

* Bank of Qingdao 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 out 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 on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), all resolutions proposed at the meeting shall be voted by poll, except for those related to procedural or administrative matters to be voted by a show of hands as permitted by the chairman. Results of the poll voting will be published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Bank (www.qdccb.com) as required by the Listing Rules.

2. **Closure of register of members and eligibility for attending and voting at the 2023 AGM**

H Shareholders of the Bank are advised that the share register will be closed from Monday, 27 May 2024, to Friday, 31 May 2024 (both days inclusive). To be eligible for attending and voting at the 2023 AGM, the transfer documents together with relevant share certificates and other appropriate documents must be deposited at the H share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 24 May 2024. Shareholders whose names appear on the register of members of the Bank on Monday, 27 May 2024 are entitled to attend and vote at the 2023 AGM. Pursuant to the requirement of the Articles of Association of the Bank, where a shareholder pledges 50% or more of his/her equity interests in the Bank, the voting rights of such shareholder at the 2023 AGM shall be subject to restrictions.

3. **Arrangement on dividend distribution**

The Board of Directors of the Bank has recommended the distribution of a cash dividend of RMB1.60 (inclusive of tax) per 10 shares for the year ended 31 December 2023. Subject to approval of the proposal at the 2023 AGM, the dividend will be paid to A Shareholders and H Shareholders whose names appear on the register of members of the Bank at the close of business on the respective record dates. The proposed dividends payable are denominated in Renminbi, and will be paid to A Shareholders in Renminbi and H Shareholders in Hong Kong dollars. Calculation of the exchange rate for dividends payable in Hong Kong dollars will be based on the average of central parity rates of Renminbi of the interbank foreign exchange market as announced by the People’s Bank of China for the five working days preceding the date of declaration of the dividend at the 2023 AGM (including the day the 2023 AGM to be held).

4. **Closure of register of members and eligibility for final dividend distribution**

The H share register of the Bank will be closed from Thursday, 6 June 2024, to Monday, 10 June 2024 (both days inclusive). In order to be entitled to the final dividend distribution, the H Shareholders of the Bank who have not registered are required to deposit the transfer documents together with relevant share certificates at the H share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 5 June 2024. Shareholders whose names appear on the register of members of the Bank on Monday, 10 June 2024 are entitled to the final dividend distribution.

5. **Proxy**

Any shareholder entitled to attend and vote at the 2023 AGM is entitled to appoint one or more persons (whether such person is a shareholder of the Bank or not) as his/her proxy or proxies to attend and vote on his/her behalf at the 2023 AGM. As far as all joint shareholders of any shares are concerned, only the joint shareholder whose name appears first in the register of members has the right to receive the share certificate of the relevant shares from the Bank, to receive notices of the Bank and any notice served on such a shareholder shall be treated as having been served on all the other joint shareholders of those shares. In the case of joint shareholders, any one shareholder may sign the proxy form(s). The vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint shareholding.

NOTICE OF 2023 ANNUAL GENERAL MEETING

The appointment of a proxy must be in writing with a form under the hand of the appointer or his/her attorney duly authorised in writing. For a corporate appointer, the proxy form must be affixed with the common seal or signed by its director or attorney duly authorised in writing. To be valid, the instrument appointing a proxy together with the power of attorney or other authorisation document (if any) or a notarially certified copy of that power of attorney or other authorisation document must be completed and returned to the Bank's H share registrar (for H Shareholder(s)) or the Bank's PRC registered office and principal place of business (for A Shareholder(s)) not less than 24 hours before the designated time for the convening of the 2023 AGM or any adjournment thereof. Completion and return of the form(s) of proxy will not preclude shareholders from attending and voting in person at the 2023 AGM or at any adjournment if he/she so wishes.

6. Cumulative voting method

Cumulative voting method is adopted for the above Resolution in respect of the election of independent non-executive Directors (namely Proposal No. 7.00), under which a total of five independent non-executive Directors shall be elected. Pursuant to the cumulative voting method, each of the shares each shareholders hold shall carry the same number of votes corresponding to the number of candidates to be appointed under the same resolution, which means the total number of the votes each shareholders are entitled to cast in respect of each resolution equals to the number of shares he/she holds multiplied by the number of candidates to be appointed under such resolution. Each shareholders may cast all your votes for one candidate, or split your votes for several candidates (with the possibility of casting nil votes). Where the total number of votes each shareholders cast is in excess of the number of votes carried by the total number of shares he/she votes, the votes each shareholders cast shall be invalid.

7. Others

- (1) The 2023 AGM is estimated to last no longer than a working day. Shareholders who attend the meeting in person or by proxy shall bear their own traveling and accommodation expenses.
- (2) 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 PRC registered office and principal place of business of the Bank:

Building No. 3, No. 6 Qinling Road
Laoshan District
Qingdao
Shandong Province
the PRC
Tel: +86 40066 96588 ext 6
Fax: +86 (532) 8578 3866