

# Report of the Directors

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2023.

## Principal Activities

The principal activities of the Group are the provision of banking and related financial services. An analysis of the Group's performance for the year by business segments is set out in Note 46 to the Financial Statements.

## Business Review

For business review of the Group for the year, please refer to "Message from the Chairman", "Message from the Chief Executive", "Management Discussion and Analysis", "Corporate Governance", our Sustainability Report 2023 and corporate website.

## Results and Appropriations

The results of the Group for the year are set out in the consolidated income statement on page 128.

The Board has recommended a final dividend of HK\$1.145 per share, amounting to approximately HK\$12,106 million, subject to the approval of shareholders at the forthcoming annual general meeting of the Company to be held on Thursday, 27 June 2024 (the "2024 AGM"). If approved, the final dividend will be paid on Monday, 15 July 2024 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 9 July 2024. Together with the interim dividend of HK\$0.527 per share declared in August 2023, the total dividend payout for 2023 would be HK\$1.672 per share.

## Closure of Register of Members for Entitlement to Attend and Vote at Annual General Meeting

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to attend and vote at the 2024 AGM, from Monday, 24 June 2024 to Thursday, 27 June 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the 2024 AGM, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 21 June 2024. The 2024 AGM will be held at 2:00 p.m. on Thursday, 27 June 2024.

## Closure of Register of Members for Entitlement to Final Dividend

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the proposed final dividend, from Thursday, 4 July 2024 to Tuesday, 9 July 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 3 July 2024. Shares of the Company will be traded ex-dividend as from Tuesday, 2 July 2024.

## REPORT OF THE DIRECTORS

### Donations

Charitable and other donations made by the Group during the year amounted to approximately HK\$36 million.

Note: These donations do not include the donations and sponsorships made by BOCHK Charitable Foundation ("the Foundation". For details, please refer to our Sustainability Report 2023 and corporate website). The Foundation is a separate legal entity established in Hong Kong and is a charitable institution exempted from tax under the Inland Revenue Ordinance.

### Shares Issued

Details of the Company's issued shares are set out in Note 39 to the Financial Statements.

As at the latest practicable date prior to the issue of this Annual Report and based on publicly available information, the public float of the Company was approximately 34%. The Directors consider that there is sufficient public float in the shares of the Company.

### Distributable Reserves

Distributable reserves of the Company as at 31 December 2023, calculated under Part 6 of the Hong Kong Companies Ordinance, amounted to approximately HK\$17,547 million.

### Five-year Financial Summary

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 3.

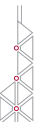
### Directors

The list of Directors of the Company is set out on page 56. The biographical details of the Directors and senior management are set out on pages 57 to 68. The term of office for each Non-executive Director is approximately three years.

Mr GE Haijiao was appointed as Chairman and Non-executive Director with effect from 27 April 2023. Mr LIP Sai Wo was appointed as Independent Non-executive Director with immediate effect from the conclusion of the annual general meeting held on 29 June 2023. Prof MA Si Hang Frederick was appointed as Independent Non-executive Director with effect from 20 October 2023. Mr KOH Beng Seng and Mr TUNG Savio Wai-Hok retired as Independent Non-executive Directors with immediate effect from the conclusion of the annual general meeting held on 29 June 2023. The Board would like to express its high praise and sincere gratitude to the retiring directors for their valuable contributions during their tenure of office. Please refer to the Company's 2022 annual report and relevant announcements for details of other changes of directors of the Company during the year.

In accordance with Article 98 of the Articles of Association and pursuant to Code Provision B.2.2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, the terms of office of Mr LIN Jingzhen, Dr CHOI Koon Shum and Mr LAW Yee Kwan Quinn will expire at the 2024 AGM. All the retiring Directors, being eligible, will offer themselves for re-election at the 2024 AGM. Further, pursuant to Article 102 of the Articles of Association, any Director appointed by the Board shall hold office only until the next following general meeting or the next following annual general meeting, and shall then be eligible for re-election at such meeting. Accordingly, the terms of office of Mr LIP Sai Wo and Prof MA Si Hang Frederick, who were appointed on 29 June 2023 and 20 October 2023 respectively, will expire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

A full list of the names of the directors of the Company's subsidiaries during the year ended 31 December 2023 is kept at the Company's registered office.



## Directors' Service Contracts

No Director offering for re-election at the 2024 AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation other than the normal statutory compensation.

## Directors' Interests in Transactions, Arrangements or Contracts

No transactions, arrangements or contracts of significance, in relation to the Group's business to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## Directors' Interests in Competing Business

Mr GE Haijiao, Mr LIU Jin and Mr LIN Jingzhen are Executive Directors of BOC.

BOC is a joint stock commercial bank with limited liability, established under the laws of the PRC, providing a full range of commercial banking and other financial services through

its associates throughout the world. Certain of the Group's operations overlap with and/or are complementary to those of BOC and its associates. To the extent that BOC or its associates compete with the Group, the Directors believe that the Group's interests are adequately protected by good corporate governance practices and the involvement of the Independent Non-executive Directors.

Further, the Board's Mandate also expressly provides that unless permissible under applicable laws or regulations, if a substantial shareholder or a Director has a conflict of interest in the matter to be considered by the Board, the matter shall not be dealt with by way of written resolutions, but a Board meeting attended by the Independent Non-executive Directors who have no material interest in the matter shall be held to deliberate on the same.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

## Directors' Rights to Acquire Shares

At no time during the year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## REPORT OF THE DIRECTORS

### Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 December 2023, the interests and short positions of the Directors, Chief Executive and their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") are set out below:

#### Associated corporation of the Company:

##### Bank of China Limited (H Shares)

Name of Director	Number of shares/underlying shares held				Approximate % of the total issued H shares
	Personal interests	Family interests	Corporate interests	Total	
SUN Yu	10,000	–	–	10,000	0.00% <sup>1</sup>
CHOI Koon Shum	4,000,000	40,000 <sup>2</sup>	1,120,000 <sup>3</sup>	5,160,000	0.01%
FUNG Yuen Mei Anita	550,000	–	–	550,000	0.00% <sup>4</sup>
LIP Sai Wo	201,000	–	–	201,000	0.00% <sup>5</sup>

Notes:

1. Such shares held by Mr SUN Yu represent approximately 0.00001% of the total issued H shares of BOC.
2. Such shares are held by the spouse of Dr CHOI Koon Shum.
3. Dr CHOI Koon Shum is deemed to be interested in the 1,120,000 shares held through Choi Koon Shum Charitable Foundation Limited by virtue of the SFO.
4. Such shares held by Mdm FUNG Yuen Mei Anita represent approximately 0.0007% of the total issued H shares of BOC.
5. Such shares held by Mr LIP Sai Wo represent approximately 0.0002% of the total issued H shares of BOC.

All the interests stated above represented long positions. Save as disclosed above, as at 31 December 2023, none of the Directors, Chief Executive or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## Interest of Substantial Shareholders

The register maintained by the Company pursuant to section 336 of the SFO recorded that, as at 31 December 2023, the following parties had the following interests (as defined in the SFO) in the Company set opposite their respective names:

Name of Corporation	Number of shares held in the Company	Approximate % of the total issued shares
Central Huijin	6,984,274,213	66.06%
BOC	6,984,274,213	66.06%
BOCHKG	6,984,175,056	66.06%
BOC (BVI)	6,984,175,056	66.06%

Notes:

- Following the reorganisation of BOC in August 2004, Central Huijin holds the controlling equity capital of BOC on behalf of the State. Accordingly, for the purpose of the SFO, Central Huijin is deemed to have the same interests in the Company as BOC.
- BOC holds the entire issued shares of BOCHKG, which in turn holds the entire issued shares of BOC (BVI). Accordingly, BOC and BOCHKG are deemed to have the same interests in the Company as BOC (BVI) for the purpose of the SFO. BOC (BVI) beneficially held 6,984,175,056 shares of the Company.
- BOC holds the entire issued shares of BOCI, which in turn holds the entire issued shares of BOCI Asia Limited and BOCI Financial Products Limited. Accordingly, BOC is deemed to have the same interests in the Company as BOCI Asia Limited and BOCI Financial Products Limited for the purpose of the SFO. BOCI Asia Limited had an interest in 24,479 shares of the Company and an interest in 72,000 shares held under physically settled equity derivatives while BOCI Financial Products Limited had an interest in 2,678 shares of the Company.

All the interests stated above represented long positions. Apart from the disclosure above, according to the register maintained by the Company pursuant to section 336 of the SFO, BOCI Financial Products Limited had an interest in 143,522 shares which represented short positions. BOC and Central Huijin are deemed to be interested in such number of shares for the purpose of the SFO. Save as disclosed, no other interests or short positions were recorded in the register maintained by the Company under section 336 of the SFO as at 31 December 2023.

## Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## Equity-linked Agreements

No equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

## Permitted Indemnity Provision

Pursuant to the Articles of Association, every Director shall be indemnified out of funds of the Company against all liabilities incurred by him/her to the extent permitted by the Hong Kong Companies Ordinance. The Company has maintained insurance for the benefit of the Directors against liability which may lawfully be insured by the Company.

## REPORT OF THE DIRECTORS

### Purchase, Sale or Redemption of the Company's Shares

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

### Major Customers

During the year, the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group.

### Connected Transactions

The Independent Non-executive Directors have reviewed the transactions which the Company disclosed in a public announcement on 30 December 2022 and confirmed that these transactions were:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms or better; and
- (iii) entered into according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In accordance with paragraphs 14A.56 and 14A.71(6)(b) of the Listing Rules, the Board of Directors engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing

Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the above continuing connected transactions.

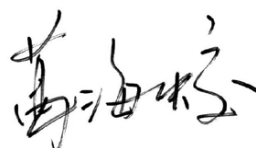
### Compliance with the Banking (Disclosure) Rules and the Listing Rules

This Annual Report complies with the applicable requirements set out in the Banking (Disclosure) Rules under the Banking Ordinance and the applicable disclosure provisions of the Listing Rules.

### Auditor

The financial statements for the year 2023 have been audited by Messrs PricewaterhouseCoopers who will retire and offer themselves for re-appointment at the 2024 AGM. Messrs PricewaterhouseCoopers has been appointed as new auditor of the Company at the annual general meeting of the Company held on 17 May 2021 upon the retirement of Messrs Ernst & Young.

On behalf of the Board



**GE Haijiao**

Chairman

Hong Kong, 28 March 2024