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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)**

**(Preference Shares Stock Code: 4611)**

## **ANNOUNCEMENT ON LITIGATION**

The following announcement is hereby made by Bank of Qingdao Co., Ltd.\* (the “**Bank**”) in respect to the litigation.

### **I. PARTICULARS OF THE ACCEPTANCE OF THE LITIGATION**

The Bank filed a lawsuit in the High Court of the Hong Kong Special Administrative Region on 1 September 2022 regarding the dispute over the agreement with AMTD GLOBAL MARKETS LIMITED (尚乘環球市場有限公司) (formerly known as AMTD ASSET MANAGEMENT LIMITED (尚乘資產管理有限公司)) and the lawsuit has been officially accepted by the court.

### **II. BASIC INFORMATION ABOUT THE CASE**

#### **(I) Name of the Parties to the Litigation**

Plaintiff: Bank of Qingdao Co., Ltd.\*

Defendant: AMTD GLOBAL MARKETS LIMITED

## **(II) Brief Description of the Facts of the Litigation**

The Plaintiff (being the appointee) and the Defendant (being the appointed investment manager) entered into an Investment Management Agreement in 2015. The initial investment amount and the further injection into the portfolio was USD350,000,000 in aggregate. Pursuant to the agreement, the Defendant was appointed by the Plaintiff to invest in securities issued by one single issuer with a total amount of not exceeding USD50,000,000; and the proportion of the securities issued by one single issuer shall not exceed 25% of the total market value of the portfolio. Acting in breach of the above stipulation of agreement, and its duties as the appointed investment manager, the Defendant, acted out of the scope of authorization under the agreement by subscribing securities with a total nominal value of USD263,966,000 in or about June 2022 (hereinafter collectively referred to as the “**Unauthorized Transactions**”).

In July 2022, the Plaintiff issued a written notice to the Defendant terminating the agreement pursuant to the agreement. Upon the termination of the agreement, the Defendant shall deliver, or transfer to the Plaintiff, the securities under the portfolio (save and except the securities pursuant to the Unauthorized Transactions), and all proprietary rights deriving from and/or arising out of the portfolio (and any and all sums, income, profit, interest deriving and/or arising out of the same (including but not limited to all the dividends (whether in cash or by way of shares), bonus shares and warrants)).

## **(III) Claims of the Litigation**

1. Restitution against the Defendant in the total sum of USD263,966,000 (or Hong Kong dollar equivalent) or such sum to be assessed;
2. An order for delivery of, or transfer to the Plaintiff, the securities under the portfolio (save and except the securities pursuant to the Unauthorized Transactions), and all proprietary rights deriving from and/or arising out of the portfolio (and any and all sums, income, profit, interest deriving and/or arising out of the same (including but not limited to all the dividends (whether in cash or by way of shares), bonus shares and warrants));
3. All necessary accounts and inquiries to enable the Plaintiff to trace and recover all sums, incomes, profits, interest (if any) deriving and/or arising out of the Unauthorized Transactions;
4. Further and/or alternatively, damages or equitable compensation to be assessed;
5. Interest pursuant to Sections 48 and 49 of the High Court Ordinance (Cap. 4) at such rate or rates and for such period or periods of time as the court may think fit;
6. Costs of this action;
7. Further or other relief as the court may think fit.

### III. OTHER UNDISCLOSED LITIGATIONS OR ARBITRATIONS

Save for the litigation disclosed above, the Bank did not have any other material litigations or arbitrations that shall be disclosed but have not yet been disclosed.

### IV. POSSIBLE IMPACT OF THE LITIGATION IN THIS ANNOUNCEMENT ON THE PROFIT OF THE BANK FOR THE CURRENT PERIOD OR SUBSEQUENT PERIODS

The litigation will not affect the normal operation of the Bank and it is expected that there is no substantial impact on the profit of the Bank for the current period and subsequent periods. The Bank will conduct accounting treatment in accordance with the progress of the litigation and the provisions of the relevant accounting standards, and perform its obligations of information disclosure in a timely manner in accordance with the relevant provisions. Investors are advised to pay attention to investment risks.

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

Qingdao, Shandong Province, the PRC  
2 September 2022

*As at the date of this announcement, the Board comprises Mr. Jing Zailun, Mr. Wang Lin 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; Mr. Simon Cheung, Ms. Fang Qiaoling, Mr. Tingjie Zhang, Mr. Xing Lecheng and Mr. Zhang Xu 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 on banking and/or deposit-taking business in Hong Kong.*