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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)

(Preference Shares Stock Code: 4611)

Announcement Proposed Amendments to the Articles of Association

The Board of Directors (the “**Board**”) of the Bank of Qingdao Co., Ltd. (the “**Bank**”) is pleased to announce that the proposal on the amendments to the Articles of Association of the Bank of Qingdao Co., Ltd. (the “**Articles of Association**”) was considered and approved by the Board on 24 August 2018.

The Bank proposed to amend the Articles of Association in accordance with the requirements under the Interim Measures for the Equity Management of Commercial Banks and the Notice of the General Office of the CBRC on Effectively Completing the Work concerning the Implementation of the Interim Measures for the Equity Management of Commercial Banks.

At present, in addition to the Bank’s existing effective Articles of Association (the “**Existing Articles of Association**”), the Bank has formulated the Articles of Association of the Bank of Qingdao Co., Ltd. (the “**Articles of Association (A Shares)**”), which will be applicable after the issuance of A Shares. The Bank proposed to amend each of the Existing Articles of Association and the Articles of Association (A Shares) accordingly. Details of the specific amendments are set out in Appendix I and Appendix II of this announcement.

The Board agreed to propose the amendments to the above-mentioned Articles of Association to the general meeting for consideration and approval by means of special resolutions. The amended Articles of Association shall be effective upon the approval of the Chinese banking regulatory authorities. Meanwhile, the Board agreed to propose at the general meeting for consideration and approval to authorize the Board to delegate its power to the chairman (with the right of further delegation) to handle all matters related to the amendments to Articles of Association. Such matters include but are not limited to making necessary amendments or adjustments to the above-mentioned Articles of Association according to the opinions of the regulatory authorities as well as reporting to the banking regulatory authorities for approval and changing industrial and commercial registration, as required in making amendments to the above-mentioned Articles of Association, in due course according to the progress of the listing of A Shares of the Bank.

A circular containing the proposed amendments to the Articles of Association and a notice of the general meeting will, where reasonably practicable, be dispatched to the shareholders of the Bank in due course.

By order of the Board
Bank of Qingdao Co., Ltd.*
GUO Shaoquan
Chairman

Shandong, the PRC, 24 August 2018

As at the date of this announcement, the Board comprises Mr. Guo Shaoquan, Mr. Wang Lin, Mr. Yang Fengjiang and Ms. Lu Lan as executive directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Ms. Tan Lixia, Mr. Marco Mussita, Mr. Deng Youcheng and Mr. Choi Chi Kin, Calvin as non-executive directors; Mr. Wong Tin Yau, Kelvin, Mr. Chen Hua, Ms. Dai Shuping, Mr. Simon Cheung and Ms. Fang Qiaoling as independent non-executive directors.

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

**APPENDIX I: AMENDMENTS TO THE ARTICLES OF ASSOCIATION
OF THE BANK OF QINGDAO CO., LTD.**

Original Clause	Amended Clause
<p>Article 60 A shareholder of the Bank shall have the following obligations (where these Articles provide otherwise in relation to the obligations of preference shareholders, such provisions shall prevail):</p> <p>(1) to abide by the laws, administrative regulations and these Articles;</p> <p>.....</p> <p>(7) shareholders, in particular the substantial shareholders, shall be required to support the capital planning formulated by the Board of Directors of the Bank so that the capital of the Bank can meet the regulatory requirements on an on-going basis. If the capital of the Bank fails to meet the regulatory requirements, it is required to develop a capital replenishment plan to increase capital adequacy ratio to meet regulatory requirements within a specified period of time, and capital is required to be replenished by means of increasing core capital. Under such circumstances, substantial shareholders may not obstruct the capital injection of other shareholders or the participation of new qualified shareholders.</p> <p>The substantial shareholders shall make a long term commitment in respect of capital replenishment to the Bank in writing, as part of the Bank’s capital planning;</p> <p>(8) not to seek improper advantages or interfere with the decision-making rights and management rights entrusted to the Board of Directors and members of senior management in line with these Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank’s operations and management;</p>	<p>Article 60 A shareholder of the Bank shall have the following obligations (where these Articles provide otherwise in relation to the obligations of preference shareholders, such provisions shall prevail):</p> <p>(1) to abide by the laws, administrative regulations, <u>regulatory requirements</u> and these Articles;</p> <p>.....</p> <p>(7) shareholders, in particular the substantial shareholders, shall be required to support the capital planning formulated by the Board of Directors of the Bank so that the capital of the Bank can meet the regulatory requirements on an on-going basis. If the capital of the Bank fails to meet the regulatory requirements, it is required to develop a capital replenishment plan to increase capital adequacy ratio to meet regulatory requirements within a specified period of time, and capital is required to be replenished by means of increasing core capital. Under such circumstances, substantial shareholders may not obstruct the capital injection of other shareholders or the participation of new qualified shareholders.</p> <p>The substantial shareholders shall make a long term commitment in respect of capital replenishment to the Bank in writing, as part of the Bank’s capital planning. <u>The substantial shareholders shall replenish the Bank with capital when necessary;</u></p> <p>(8) not to seek improper advantages or interfere with the decision-making rights and management rights entrusted to the Board of Directors and members of senior management in line with these Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank’s operations and management;</p>

Original Clause	Amended Clause
<p>(9) to assume other obligations required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.</p> <p>Shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the share at the time of subscription.</p>	<p>(9) <u>Shareholders who shall have but have not been approved by the regulatory authorities or who have not reported to the regulatory authorities may not exercise the rights to request to convene a shareholders' general meeting, to vote, to nominate, to propose resolutions, to dispose, etc.;</u></p> <p>(10) <u>For shareholders who made false statements, abused shareholders' rights or had other acts that jeopardize the interests of the Bank, the banking regulatory authority of the State Council or its local offices may restrict or prohibit such shareholders from conducting related party transactions, restrict their quota on holding the Bank's equity, on the proportion of equity pledge, etc., and may restrict their rights to request to convene a shareholders' general meeting, to vote, to nominate, to propose resolutions, to dispose, etc.;</u></p> <p>(11) to assume other obligations required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.</p> <p>Shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the share at the time of subscription.</p>
<p>Article 313 Interpretation</p> <p>.....</p> <p>(4) "Substantial shareholders" herein means the shareholders who can directly, indirectly, or jointly hold or control more than 5% of the shares or voting rights of the Bank and have a significant impact upon the decision-making of the Bank.</p> <p>.....</p>	<p>Article 313 Interpretation</p> <p>.....</p> <p>(4) "Substantial shareholders" herein means the shareholders who can directly, indirectly, or jointly hold or control more than 5% of the shares or voting rights of the Bank, <u>or hold less than 5% of the total share capital or total number of shares of the Bank but</u> and have a significant impact upon the decision-making <u>operations and management</u> of the Bank.</p> <p><u>The term "significant impact" in the preceding paragraph shall include, but not limited to, the nomination of directors, supervisors or senior management to the Bank, affection of the Bank's financial, operation and management decisions through agreements or other means, and other circumstances identified by the banking regulatory authority of the State Council or its local offices.</u></p> <p>.....</p>

**APPENDIX II: AMENDMENTS TO THE ARTICLES OF ASSOCIATION
OF THE BANK OF QINGDAO CO., LTD. (A SHARES)**

Original Clause	Amended Clause
<p>Article 60 A shareholder of the Bank shall have the following obligations (where these Articles provide otherwise in relation to the obligations of preference shareholders, such provisions shall prevail):</p> <p>(1) to abide by the laws, administrative regulations and these Articles;</p> <p>.....</p> <p>(7) shareholders, in particular the substantial shareholders, shall be required to support the capital planning formulated by the Board of Directors of the Bank so that the capital of the Bank can meet the regulatory requirements on an on-going basis. If the capital of the Bank fails to meet the regulatory requirements, it is required to develop a capital replenishment plan to increase capital adequacy ratio to meet regulatory requirements within a specified period of time, and capital is required to be replenished by means of increasing core capital. Under such circumstances, substantial shareholders may not obstruct the capital injection of other shareholders or the participation of new qualified shareholders.</p> <p>The substantial shareholders shall make a long term commitment in respect of capital replenishment to the Bank in writing, as part of the Bank’s capital planning;</p> <p>(8) not to seek improper advantages or interfere with the decision-making rights and management rights entrusted to the Board of Directors and members of senior management in line with these Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank’s operations and management;</p> <p>(9) to assume other obligations required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.</p>	<p>Article 60 A shareholder of the Bank shall have the following obligations (where these Articles provide otherwise in relation to the obligations of preference shareholders, such provisions shall prevail):</p> <p>(1) to abide by the laws, administrative regulations, <u>regulatory requirements</u> and these Articles;</p> <p>.....</p> <p>(7) shareholders, in particular the substantial shareholders, shall be required to support the capital planning formulated by the Board of Directors of the Bank so that the capital of the Bank can meet the regulatory requirements on an on-going basis. If the capital of the Bank fails to meet the regulatory requirements, it is required to develop a capital replenishment plan to increase capital adequacy ratio to meet regulatory requirements within a specified period of time, and capital is required to be replenished by means of increasing core capital. Under such circumstances, substantial shareholders may not obstruct the capital injection of other shareholders or the participation of new qualified shareholders.</p> <p>The substantial shareholders shall make a long term commitment in respect of capital replenishment to the Bank in writing, as part of the Bank’s capital planning. <u>The substantial shareholders shall replenish the Bank with capital when necessary;</u></p> <p>(8) not to seek improper advantages or interfere with the decision-making rights and management rights entrusted to the Board of Directors and members of senior management in line with these Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank’s operations and management;</p>

Original Clause	Amended Clause
<p>Shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the share at the time of subscription.</p>	<p>(9) <u>Shareholders who shall have but have not been approved by the regulatory authorities or who have not reported to the regulatory authorities may not exercise the rights to request to convene a shareholders' general meeting, to vote, to nominate, to propose resolutions, to dispose, etc.;</u></p> <p>(10) <u>For shareholders who made false statements, abused shareholders' rights or had other acts that jeopardize the interests of the Bank, the banking regulatory authority of the State Council or its local offices may restrict or prohibit such shareholders from conducting related party transactions, restrict their quota on holding the Bank's equity, on the proportion of equity pledge, etc., and may restrict their rights to request to convene a shareholders' general meeting, to vote, to nominate, to propose resolutions, to dispose, etc.;</u></p> <p>(11) to assume other obligations required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.</p> <p>Shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the share at the time of subscription.</p>
<p>Article 313 Interpretation</p> <p>.....</p> <p>(4) "Substantial shareholders" herein means the shareholders who can directly, indirectly, or jointly hold or control more than 5% of the shares or voting rights of the Bank and have a significant impact upon the decision-making of the Bank.</p> <p>.....</p>	<p>Article 313 Interpretation</p> <p>.....</p> <p>(4) "Substantial shareholders" herein means the shareholders who can directly, indirectly, or jointly hold or control more than 5% of the shares or voting rights of the Bank, <u>or hold less than 5% of total share capital or total number of shares of the Bank but</u> and have a significant impact upon the decision-making <u>operations and management</u> of the Bank.</p> <p><u>The term "significant impact" in the preceding paragraph shall include, but not limited to, the nomination of directors, supervisors or senior management to the Bank, affection of the Bank's financial, operation and management decisions through agreements or other means, and other circumstances identified by the banking regulatory authority of the State Council or its local offices.</u></p> <p>.....</p>