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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)

(Stock Code: 3866)

ANNOUNCEMENT

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING**
- (2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETINGS AND THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING**
- (3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (A SHARE) IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING**
- (4) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETINGS (A SHARE) AND THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS (A SHARE) IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING**
- (5) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE PLAN FOR THE A SHARE OFFERING**
- (6) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORIZATIONS GRANTED TO THE BOARD IN RESPECT OF THE A SHARE OFFERING**
- (7) EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORIZATIONS GRANTED TO THE BOARD'S AUTHORIZED PERSON(S) TO DEAL WITH MATTERS IN RESPECT OF THE A SHARE OFFERING**
- (8) PROPOSED AMENDMENTS TO THE DIVIDEND PLAN FOR A SHARE**
- (9) PROPOSED CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

Summary

The board of directors (the “**Board**”) of Bank of Qingdao Co., Ltd. (the “**Bank**”) is pleased to announce that, amongst others, (1) proposed amendments to the Articles of Association in respect of the proposed issuance of offshore preference shares (the “**Offshore Preference Share Offering**”); (2) proposed amendments to the Rules of Procedures for the Shareholders’ General Meetings of Bank of Qingdao Co., Ltd. (the “**Rules of Procedures for the Shareholders’ General Meetings**”) and the Rules of Procedures for the Board of Directors of Bank of Qingdao Co., Ltd. (the “**Rules of Procedures for the Board of Directors**”) in respect of the Offshore Preference Share Offering; (3) proposed amendments to the Articles of Association (A Share) in respect of the Offshore Preference Share Offering; (4) proposed amendments to the Rules of Procedures for the Shareholders’ General Meetings (A Share) and the Rules of Procedures for the Board of Directors (A Share) in respect of the Offshore Preference Share Offering; (5) proposed extension of the validity period of the Plan for the A Share Offering; (6) proposed extension of the validity period of the authorizations granted to the Board in respect of the A Share Offering; (7) proposed amendments to the three-year dividend plan after the Initial Public Offering and Listing of A Share of Bank of Qingdao Co., Ltd. (the “**Dividend Plan for A Share**”); (8) extension of the validity period of the authorizations granted to the Board’s authorized person(s) to deal with matters in respect of the A Share Offering; and (9) proposed change of independent non-executive director had been considered and approved at the meeting of the Board on 24 March 2017.

Reference is made to the announcement of the Bank dated 19 August 2016 (the “**Announcement of A Share Offering**”), the circular of the Bank dated 27 September 2016, the announcement of the Bank dated 14 October 2016 in respect of poll results of general meeting of the Bank and the announcement of the Bank dated 12 December 2016, in relation to the IPO of A Share of the Bank, including the Plan for the Initial Public Offering and Listing of A Share (the “**Plan for the A Share Offering**”), authorizations granted to the Board to deal with specific matters in relation to the Initial Public Offering and Listing of A Share (the “**Authorizations in Relation to A Share Offering**”), the amendments to the Articles of Association in relation to A Share Offering and other related matters. Reference is also made to the announcement of the Bank dated 22 January 2017 (the “**Announcement of the Offshore Preference Share Offering**”), the circular of the Bank dated 16 February 2017 and the announcement of the Bank dated 15 March 2017 in respect of poll results of general meeting of the Bank, in relation to the plan for the Offshore Preference Share Offering and other related matters. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement of A Share Offering and the Announcement of the Offshore Preference Share Offering.

(1) **Proposed amendments to the Articles of Association in respect of the Offshore Preference Share Offering**

The Board agrees and proposes at the general meeting in consideration of proposed non-public Offshore Preference Share Offering by the Bank, to approve that the Bank amends the existing and effective Articles of Association in accordance with the Guidance Opinion on the Launch of Preference Share Pilot Scheme issued by the State Council of the PRC (國務院關於開展優先股試點的指導意見), the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the China Banking Regulatory Commission and China Securities Regulatory Commission (中國銀監會、中國證監會關於商業銀行發行優先股補充一級資本的指導意見) and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Articles of Association shall be subject to approval from banking regulatory authorities in the PRC, and take effect on the date of completion of the first tranche of the Offshore Preference Share Offering provided that the first tranche of the Offshore Preference Share Offering will be completed before the A Share Offering.

The Board agrees and proposes at the general meeting to approve, to authorize the Board and delegate the chairman of the Board, the president and the secretary to the Board by the Board to, individually or jointly, amend the provisions in the Articles of Association in respect of the Offshore Preference Share Offering, deal with the approval or filings procedures for the changes of the Articles of Association, handle the registration of changes with industrial and commercial administration authorities and other relevant government departments and deal with other related matters, based on the opinions of the regulatory authorities, the results of the Offshore Preference Share Offering and taking into account the actual situation of the Bank.

The above resolution is subject to approval by special resolution at the general meeting.

(2) Proposed amendments to the Rules of Procedures for the Shareholders' General Meetings and the Rules of Procedures for the Board of Directors in respect of the Offshore Preference Share Offering

The Board agrees and proposes at the general meeting in consideration of proposed non-public Offshore Preference Share Offering by the Bank, to approve that the Bank amends the existing and effective the Rules of Procedures for the Shareholders' General Meetings and the Rules of Procedures for the Board of Directors of the Bank in accordance with the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council of the PRC, the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the China Banking Regulatory Commission and China Securities Regulatory Commission and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Rules of Procedures for the Shareholders' General Meetings and the Rules of Procedures for the Board of Directors shall be subject to approval from banking regulatory authorities in the PRC, and take effect on the date of completion of the first tranche of the Offshore Preference Share Offering, provided that the first tranche of the Offshore Preference Share Offering will be completed before the A Share Offering.

The Board agrees and proposes at the general meeting to approve, to authorize the Board and delegate the chairman of the Board, the president and the secretary to the Board by the Board to, individually or jointly, vary and amend the revised Rules of Procedures for the Shareholders' General Meetings and the revised Rules of Procedures for the Board of Directors, based on the opinions of the regulatory authorities, the results of the Offshore Preference Share Offering and taking into account the actual situation of the Bank, as well as the proposed amendments to the Articles of Association in respect of the proposed Offshore Preference Share Offering.

The above two resolutions are subject to approval by ordinary resolutions at the general meeting.

(3) Proposed amendments to the Articles of Association (A Share) in respect of the Offshore Preference Share Offering

In order to meet the needs for the A Share Offering, the Bank formulated the applicable Articles of Association upon the offering and listing of A Share (the "**Articles of Association (A Share)**"), which were considered and approved at the general meeting of the Bank convened on 14 October 2016. The Articles of Association (A Share) were approved by the "CBRC Qingdao Office's Approval on the Amendments to the Articles of Association of BQD" (Qing Yin Jian Fu No. [2016]158) issued by CBRC Qingdao Office and will be effective and implemented since the date of the offering and listing of A Share of the Bank.

Given that the Offshore Preference Share Offering will impact the relevant provisions of the Articles of Association (A Share), the Board agrees and proposes at the general meeting, to approve that the Bank amends the Articles of Association (A Share) in accordance with the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council of the PRC, the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the China Banking Regulatory Commission and China Securities Regulatory Commission and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Articles of Association (A Share) shall be subject to approval from banking regulatory authorities in the PRC, and take effect upon the completion of the first tranche of the Offshore Preference Share Offering and the A Share Offering. The Bank will implement the Articles of Association (A Share) without the proposed amendments, provided the Bank shall have completed the A Share Offering.

The Board agrees and proposes at the general meeting to approve, to authorize the Board to delegate the chairman of the Board, the president and the secretary to the Board by the Board to, individually or jointly, make further necessary and appropriate amendments to the Articles of Association (A Share) in respect of the Offshore Preference Share Offering and A Share Offering (including the corresponding amendments to the revised Articles of Association (A Share) with respect to the registered capital, shareholding structure and other terms of the Bank based on the actual situation), deal with the approval or filing procedures for the changes of the Articles of Association, handle the registration of changes with industrial and commercial administration authorities and other relevant government departments and deal with other related matters, in accordance with any changes in domestic or foreign laws, regulations and other regulatory documents and based on the requirements and advice of the relevant government agencies and regulatory authorities in or out of China, the actual situation of the A Share Offering, the actual situation of the Offshore Preference Share Offering and other related matters.

The above resolution is subject to approval by special resolution at the general meeting.

(4) Proposed amendments to the Rules of Procedures for the Shareholders' General Meetings (A Share) and the Rules of Procedures for the Board of Directors (A Share) in respect of the Offshore Preference Share Offering

In order to meet the needs for the listing of A Share, the Bank formulated the applicable rules of procedures for the shareholders' general meetings (the "**Rules of Procedures for the Shareholders' General Meetings (A Share)**") and the rules of procedures for the Board of Directors (the "**Rules of Procedures for the Board of Directors (A Share)**") upon the offering and listing of A Share, which were considered and approved at the general meeting of the Bank convened on 14 October 2016.

Given that the Offshore Preference Share Offering will impact the relevant provisions of the Rules of Procedures for the Shareholders' General Meetings (A Share) and the Rules of Procedures for the Board of Directors (A Share), the Board agrees and proposes at the general meeting, to approve that the Bank amends the Rules of Procedures for the Shareholders' General Meetings (A Share) and the Rules of Procedures for the Board of Directors (A Share) in accordance with the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council of the PRC, the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the China Banking Regulatory Commission and China Securities Regulatory Commission and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Rules of Procedures for the Shareholders' General Meetings

(A Share) and the Rules of Procedures for the Board of Directors (A Share) shall take effect on the date of completion of the first tranche of the Offshore Preference Share Offering and the A Share Offering. The Bank will implement the Rules of Procedures for the Shareholders' General Meetings (A Share) and the Rules of Procedures for the Board of Directors (A Share) before these amendments, provided that the Bank shall have completed the A Share Offering.

The Board agrees and proposes at the general meeting to approve, to authorize the Board to delegate the chairman of the Board, the president and the secretary to the Board by the Board to, individually or jointly, make further adjustments and modifications on the revised Rules of Procedures for the Shareholders' General Meetings (A Share) and the revised Rules of Procedures for the Board of Directors (A Share), in accordance with any changes in domestic or foreign laws, regulations and other regulatory documents and based on the requirements and advice of the relevant government agencies and regulatory authorities in or out of China, the actual situation of A Share Offering, the actual situation of the Offshore Preference Share Offering and other related matters, as well as the proposed amendments to the Articles of Association (A Share) in respect of the proposed Offshore Preference Share Offering.

The above two resolutions are subject to approval by ordinary resolutions at the general meeting.

(5) Proposed Extension of the validity period of the Plan for the A Share Offering

The Plan for the A Share Offering was approved at the general meeting and the class meeting convened on 14 October 2016. Given that the validity period of the Plan for the A Share Offering shall expire within the twelve months from the consideration and approval at the general meeting and the class meeting dated 14 October 2016, being no later than 13 October 2017, it is expected that the Bank's application for the A Share Offering will be still in progress until then. To ensure the successful completion of the A Share Offering, the Board agrees and proposes at the general meeting and the class meeting to approve, to extend the validity period of the Plan for the A Share Offering for another twelve months from the date of approval at 2016 annual general meeting of the Bank. Other information of the Plan for the A Share Offering remains unchanged.

The above resolution is subject to approval by special resolution at the general meeting and the class meeting, respectively.

(6) Proposed extension of the validity period of the authorizations granted to the Board in respect of the A Share Offering

The Authorizations in respect of the A Share Offering were approved at the general meeting and the class meeting convened on 14 October 2016. Given that the validity period of the Authorizations in respect of the A Share Offering shall expire within the twelve months from the consideration and approval at the general meeting and the class meeting dated 14 October 2016, being no later than 13 October 2017, it is expected that the Bank's application for the A Share Offering will be still in progress until then. To ensure the successful completion of the A Share Offering, the Board agrees and proposes at the general meeting and the class meeting to approve, to extend the validity period of the Authorizations in respect of the A Share Offering for another twelve months from the date of approval at 2016 annual general meeting of the Bank. Other information of the Authorizations in respect of the A Share Offering remains unchanged.

The above resolution is subject to approval by special resolution at the general meeting and the class meeting, respectively.

(7) Extension of the validity period of the authorizations granted to the Board’s authorized person(s) to deal with matters in respect of the A Share Offering

The authorizations granted to the Board’s authorized person(s) to deal with matters in respect of the A Share Offering were approved by the Board at the meeting of the Board held on 19 August 2016.

For the purposes of the A Share Offering, the Board had authorized Guo Shaoquan (the Chairman), Wang Lin (the President), Yang Fengjiang (the Vice President) and Lu Lan (the Secretary to the Board) to individually or jointly determine and deal with the matters in connection with the A Share Offering.

Given that the validity period of the authorizations granted to the Board’s authorized person(s) to deal with matters in respect of the A Share Offering will expire within twelve months (before 13 October 2017) upon consideration and approval at the annual general meeting convened on 14 October 2016, the Bank expects the application of the A Share Offering is still in progress. To ensure the smooth progress of the A Share Offering of the Bank, the Board has approved to extend the validity period of the authorizations granted to the Board’s authorized person(s) to deal with matters in respect of the A Share Offering for another twelve months from the date of the 2016 annual general meeting of the Bank, being the date on which the resolution related to the A Share Offering has been considered and passed. Other contents of the authorizations granted to the Board’s authorized person(s) to deal with matters in respect of the A Share Offering remain unchanged.

(8) Proposed Amendments to the Dividend Plan for A Share

The Dividend Plan for A Share was approved at the general meeting and the class meeting convened on 14 October 2016. Given that the Offshore Preference Share Offering will impact the order of profit distribution in the Dividend Plan for A Share and other terms as a result of the proposed Offshore Preference Share Offering, the Board agrees and proposes at the general meeting and the class meeting to approve, to modify the relevant provisions of the Dividend Plan for A Share on the date of completion of the first tranche of the Offshore Preference Share Offering.

The Board agrees and proposes at the general meeting and the class meeting to approve, to authorize the Board with its discretion to delegate to make further adjustments on the Dividend Plan for A Share, in accordance with any changes in laws, regulations and other regulatory documents or based on the advice of the regulatory authorities in or out of China.

The above resolution is subject to approval by ordinary resolution at the general meeting and to approval by special resolution at the class meeting, respectively.

(9) Proposed Change of Independent Non-Executive Director

Due to work allocation reasons, Mr. Du Wenhe (“**Mr. Du**”) has tendered his resignation to the Board from the position of independent non-executive Director of the sixth session of the Board and all positions in the Board committees of the Bank. The Board proposes to appoint Mr. Simon Cheung (“**Mr. Cheung**”) as an independent non-executive Director of the sixth session of the Board with a term from the date of which such appointment has been considered and approved at the 2016 annual general meeting and approved by the CBRC Qingdao Office until the expiry of the sixth session of the Board.

Biography of Mr. Cheung, as required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, is set out as follow:

Simon Cheung, male, born in July 1970, is an IT specialist and currently the Chief Information Officer at Shenzhen Qianhai Dashu Financial Services Co., Ltd. Major positions served by Mr. Cheung include: program analyst at University of Wisconsin Hospital and Clinics in the United States of America from September 1988 to May 1992, program analyst at the Ministry of Social Services in Canada from May 1992 to August 1993, database administrator at Modatech Systems Inc. in Canada from August 1993 to May 1994, managing partner at Cheung Simon and Associates in the United States of America from May 1994 to October 2007, senior manager at Oracle Limited (Hong Kong) from November 2007 to August 2009, deputy general manager at China Ping An Insurance (Group) Co., Ltd. from August 2009 to November 2012, IT architectural planning director at SF Express (Group) Co., Ltd. from November 2012 to June 2014 and deputy general manager at Shenzhen Qianhai Webank Co., Ltd. from June 2014 to December 2015. Mr. Cheung has been serving as the Chief Information Officer at Shenzhen Qianhai Dashu Financial Services Co., Ltd. since February 2016. He graduated from University of Wisconsin – Madison with a bachelor’s degree in computer science.

Mr. Cheung, with 20 years of financial IT innovation planning and implementation experience, has led teams of over 200 people, and participated in the promotion of the new online core system of Ping An Bank, the IT upgrade and other projects of SF Express, and the implementation of the premier “Go IOE” national banking platform for Webank.

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

Mr. Cheung has not held any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas, nor any other position held in the Bank or its subsidiaries during the past three years. Mr. Cheung does not have any relationship with any other Directors, supervisors, members of senior management, substantial shareholders or controlling shareholders of the Bank. As at the date of this announcement, Mr. Cheung does not have any interest in any shares of the Bank within the meaning under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Mr. Cheung does not have any other information that is required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules, nor any other matters that are required to be disclosed under the abovementioned rule 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.

Mr. Cheung will assume office as an independent non-executive Director upon receiving regulatory approval. Mr. Du’s resignation will take effect when Mr. Cheung assumes office.

Mr. Du has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the Shareholders and creditors of the Bank.

The Bank would like to express its gratitude to Mr. Du for his contributions to the Bank in the area of the construction and governance of information technology during his tenure of service.

The above resolution is subject to approval by ordinary resolution at the general meeting.

Shareholders' Approval

A circular containing, among other things, details of resolutions in respect of the amendments to the Articles of Association in respect of the Offshore Preference Share Offering, the amendments to the Rules of Procedures for the Shareholders' General Meetings and the Rules of Procedures for the Board of Directors in respect of the Offshore Preference Share Offering, the amendments to the Articles of Association (A Share) in respect of the Offshore Preference Share Offering, the amendments to the Rules of Procedures for the Shareholders' General Meetings (A Share) and the Rules of Procedures for the Board of Directors (A Share) in respect of the Offshore Preference Share Offering, the extension of the validity period of the Plan for the A Share Offering, the extension of the validity period of the authorizations granted to the Board in respect of the A Share Offering, the proposed amendments to the Dividend Plan for A Share and the proposed change of independent non-executive Director, together with the notice of the 2016 annual general meeting and the notice of the 2017 second class meeting for holders of H shares, will be despatched to the shareholders in accordance with the Listing Rules and the Articles of Association in due course.

As the proposed A Share Offering and the proposed Offshore Preference Share Offering are subject to certain precedent conditions, the proposed A Share Offering and the proposed Offshore Preference Share Offering may or may not proceed. The Shareholders and potential investors are advised to exercise caution when dealing with H Shares.

By order of the board of directors
Bank of Qingdao Co., Ltd.*
Guo Shaoquan
Chairman

Shandong, the PRC, 24 March 2017

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, Mr. Wang Jianhui, Ms. Tan Lixia, Mr. Marco Mussita and Mr. Choi Chi Kin, Calvin as non-executive Directors; Mr. Wang Zhuquan, Mr. Du Wenhe, Mr. Wong Tin Yau, Kelvin, Mr. Chen Hua and Ms. Dai Shuping 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.*