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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 ON
CHANGE OF DOMICILE,
PROPOSED AMENDMENTS TO
THE RULES OF PROCEDURES FOR THE BOARD
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

SUMMARY

The board of directors (the “**Board**”) of Bank of Qingdao Co., Ltd. (the “**Bank**”) is pleased to announce that at the board meeting held on 18 August 2017, the following (among others) resolutions were considered and duly passed: (1) the change of domicile; (2) the proposed amendments to the Rules of Procedures for the Board (the “**Rules of Procedures for the Board**”); and (3) the proposed amendments to the Articles of Association of the Bank (the “**Articles of Association**”).

CHANGE OF DOMICILE

The Board hereby announces that the Bank proposed to relocate its headquarter to the newly purchased office, given that the Bank has completed the fitting-out work of this new headquarter building, and to change the domicile from No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province to Building No. 3, No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province (the “**Change of Domicile**”).

Pursuant to the relevant regulatory requirements, the Change of Domicile requires approval of the shareholders of the Bank (the “**Shareholders**”) at the general meeting of the Bank. Accordingly, the Board will propose at the 2017 second extraordinary general meeting (the “**EGM**”) for the approval of the Change of Domicile. Meanwhile, the Board will also propose at the EGM for the approval of authorizing the Board to delegate its power to the senior management of the Bank to deal with all the matters relating to the Change of Domicile.

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD

Pursuant to relevant regulations including the Notice of the China Banking Regulatory Commission (the “CBRC”) on Issuing the Guidelines for the Work of the Protection of Consumer Rights at Banking Financial Institutions (《關於印發銀行業消費者權益保護工作指引的通知》), the Bank proposed to rename the “risk management committee” of the Board as the “risk management **and consumer rights protection** committee” of the Board. Besides, the Bank proposes to add the clause of “**the Board of the Bank shall firstly take the opinions from the Party Committee into account on material decisions**” in accordance with the corresponding amendments to the Articles of Association into the fifth article of each of the Rules of Procedures in accordance with the requirement of incorporating the Party building work into the Articles of Association by the Central Committee of the Communist Party of China.

In view of the aforesaid adjustment, the Rules of Procedures for the Board shall be amended accordingly. Currently, in addition to the existing Rules of Procedures for the Board of the Bank (the “**Existing Rules of Procedures for the Board**”), the following three versions of the Rules of Procedures for the Board were considered and approved at the Shareholders’ meetings of the Bank:

1. In order to fulfill the requirements for the issuance and listing of A Shares of the Bank (the “**A Shares Offering**”), the Bank has amended the Existing Rules of Procedures for the Board and formulated the Rules of Procedures for the Board of Bank of Qingdao Co., Ltd., which will be effective upon the completion of the A Shares Offering (the “**Rules of Procedures for the Board (A Shares)**”). The Rules of Procedures for the Board (A Shares) were considered and approved at the 2016 second extraordinary general meeting of the Bank held on 14 October 2016, and shall be effective and implemented from the date of the A Shares Offering, subject to the completion of the A Shares Offering.
2. In order to fulfill the requirements for the issuance of offshore preference shares of the Bank (the “**Preference Shares Offering**”), the Bank has amended the Existing Rules of Procedures for the Board and formulated the Rules of Procedures for the Board of Bank of Qingdao Co., Ltd., which will be effective upon the completion of the Preference Shares Offering (the “**Rules of Procedures for the Board (Preference Shares)**”). The Rules of Procedures for the Board (Preference Shares) were considered and approved at the 2016 annual general meeting of the Bank held on 11 May 2017, and shall be effective and implemented from the date of the Preference Shares Offering of the Bank, given that the Preference Shares Offering has completed prior to the A Shares Offering.
3. In order to fulfill the requirements for the Preference Shares Offering, the Bank has amended the Rules of Procedures for the Board (A Shares) and formulated the Rules of Procedures for the Board of Bank of Qingdao Co., Ltd., which will be effective upon the completion of both the A Shares Offering and the Preference Shares Offering (the “**Rules of Procedures for the Board (A Shares and Preference Shares)**”). The Rules of Procedures for the Board (A Shares and Preference Shares) were considered and approved at the 2016 annual general meeting of the Bank held on 11 May 2017, and shall be effective from the date of completion of the Preference Shares Offering of the Bank and the A Shares Offering.

In this regard, the Bank intended to amend the relevant rules under the Existing Rules of Procedures for the Board, the Rules of Procedures for the Board (A Shares), the Rules of Procedures for the Board (Preference Shares) and the Rules of Procedures for the Board (A Shares and Preference Shares) as follows: (1) the term “risk management committee” under the aforesaid rules of procedures shall be replaced with “risk management **and consumer rights protection** committee”; and (2) the additional clause of “**the Board of the Bank shall firstly take the opinions from the Party Committee into account on material decisions**” into the fifth article of each of the above Rules of Procedures. Except for the aforesaid amendments, other rules under the aforesaid four Rules of Procedures for the Board shall remain unchanged.

The aforesaid resolution on the proposed amendments to the Rules of Procedures for the Board is subject to Shareholders' approval at the EGM.

Meanwhile, the Board also agreed to propose at the EGM for the consideration and approval to authorize the Board to delegate its power to the chairman (with the right of further delegation) to deal with all the matters relating to the above amendments to the Rules of Procedures for the Board.

If the Bank completes the Preference Shares Offering before the date of the EGM, the Existing Rules of Procedures for the Board and the Rules of Procedures for the Board (A Shares) shall become void automatically with no amendments needed to be made. The EGM shall only consider the amendments to the Rules of Procedures for the Board (Preference Shares) and the Rules of Procedures for the Board (A Shares and Preference Shares).

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the facts that (1) the change of domicile of the Bank from No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province to Building No. 3, No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province; (2) the relevant regulations such as the Notice of the CBRC on the Guide of Issuing Bank Consumer Rights Protections (《關於印發銀行業消費者權益保護工作指引的通知》); (3) the requirements to incorporate the Party building work in the articles of association by the Central Committee of the Communist Party of China; and (4) the change of the Bank's business license, the Bank proposed to amend the Articles of Associations accordingly.

Currently, in addition to the existing Articles of Association of the Bank (the “**Existing Articles of Association**”), the following three versions of the Articles of Association were also considered and approved at the Shareholders' meeting of the Bank:

1. In order to fulfill the requirements for the A Shares Offering, the Bank has amended the Existing Articles of Association and formulated the Articles of Association of Bank of Qingdao Co., Ltd., which will be effective upon the completion of the A Shares Offering (the “**Articles of Association (A Shares)**”). The Articles of Association (A Shares) were considered and approved at the 2016 second extraordinary general meeting of the Bank held on 14 October 2016, and obtained the approval from Qingdao Office of the CBRC (the “**Qingdao CBRC**”). The Articles of Association (A Shares) shall be effective and implemented from the date of the A Shares Offering by the Bank when only the A Shares Offering is completed.
2. In order to fulfill the requirements for the Preference Shares Offering, the Bank has amended the Existing Articles of Association and formulated the Articles of Association of Bank of Qingdao Co., Ltd., which will be effective upon the completion of the Preference Shares Offering (the “**Articles of Association (Preference Shares)**”). The Articles of Association (Preference Shares) were considered and approved at the 2016 annual general meeting of the Bank held on 11 May 2017 and obtained the approval from the Qingdao CBRC, and shall be effective and implemented from the date of the Preference Shares Offering of the Bank, given that the Preference Shares Offering has completed prior to the A Shares Offering.
3. In order to fulfill the requirements for the Preference Shares Offering, the Bank has amended the Articles of Association (A Shares) and formulated the Articles of Association of Bank of Qingdao Co., Ltd., which will be effective upon the completion of both the A Shares Offering and the Preference Shares Offering (the “**Articles of Association (A Shares and Preference Shares)**”). The Articles of Association (A Shares and Preference Shares) were considered and approved at the 2016 annual general meeting of the Bank held on 11 May 2017, and shall be effective upon the approval from Qingdao CBRC from the date of completion of the Preference Shares Offering of the Bank and the A Shares Offering.

Details of the Bank's amendments to the Existing Articles of Association, Articles of Association (A Shares), Articles of Association (Preference Shares) and Articles of Association (A Shares and Preference Shares) are as follows:

Amendments to the Existing Articles of Association

Original Article	Original Clause	Amended Article	Amended Clause
Article 2 The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license No. 370000018010094 from the Shandong Administration for Industry and Commerce, and obtained an independent legal person qualification.	Article 2 The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license with No. 370000018010094 <u>unified social credit code of 91370200264609602K</u> from the Shandong Administration for Industry and Commerce of Qingdao , and obtained an independent legal person qualification.
Article 4	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province Postal code: 266071 Telephone number: 0532-85709728 Facsimile number: 0532-85709725	<u>Article 4</u>	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province. <u>3/F, No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province.</u> Postal code: 266071 <u>266061</u> Telephone number: 0532-85709728 Facsimile number: 0532-85709725 <u>0532-85783866</u>

Nil	Nil	<u>Article 14</u>	<p><u>In accordance with the “Constitution of the Communist Party of China”, the Bank shall establish a committee for the Communist Party of China (the “Party Committee”) and the grass-roots Party organization to carry out work of the Party. The organizational structure of the Party organization and its staffing shall be incorporated into the administrative organs and the budgeted posts of the Bank. The Bank shall include expenses of the Party organization in the Bank’s budget, which will be credited to the Bank’s management fee.</u></p> <p><u>The Party organization shall assume major responsibilities for the building of the Party, and all the responsibilities for the research, planning, implementation and monitoring work of the building of the Party. The Board of Directors, the supervisory committee and the senior management of the Bank shall support the Party organization of the Bank to perform their duties and initiate their job. The Board of Directors, the supervisory committee and the senior management Party members shall actively support and participate in the building of the Party.</u></p>
Article 149	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders’ general meetings.</p>	<u>Article 149150</u>	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders’ general meetings.</p> <p><u>The Board of Directors of the Bank shall firstly take the opinions from the Party Committee into account when deciding on material issues.</u></p>

Article 168	The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.	Article 168169	The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management <u>and consumer rights protection</u> committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.
Article 169	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management committee shall work in the Bank no less than twenty-five (25) working days each year.</p>	Article 169170	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management <u>and consumer rights protection</u> committee shall work in the Bank no less than twenty-five (25) working days each year.</p>

<p>Article 172</p>	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board. 	<p>Article 172173</p>	<p>The major responsibilities of the Risk Management and Consumer Rights Protection Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.
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Note: Due to the addition of chapters and clauses, the numeric order of the chapters and clauses are adjusted accordingly.

Amendments to the Articles of Association (A Shares)

Original Article	Original Clause	Amended Article	Amended Clause
Article 2	The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license No. 370000018010094 from the Shandong Administration for Industry and Commerce, and obtained an independent legal person qualification.	Article 2 The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license with No. 370000018010094 <u>unified social credit code of 91370200264609602K</u> from the Shandong Administration for Industry and Commerce <u>of Qingdao</u> , and obtained an independent legal person qualification.
Article 4	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province Postal code: 266071 Telephone number: 0532-85709728 Facsimile number: 0532-85709725	Article 4	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province. <u>3/F, No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province.</u> Postal code: 266071 <u>266061</u> Telephone number: 0532-85709728 Facsimile number: 0532-85709725 <u>0532-85783866</u>

Nil	Nil	<u>Article 14</u>	<p><u>In accordance with the “Constitution of the Communist Party of China”, the Bank shall establish a committee for the Communist Party of China (the “Party Committee”) and the grass-roots Party organization to carry out work of the Party. The organizational structure of the Party organization and its staffing shall be incorporated into the administrative organs and the budgeted posts of the Bank. The Bank shall include expenses of the Party organization in the Bank’s budget, which will be credited to the Bank’s management fee.</u></p> <p><u>The Party organization shall assume major responsibilities for the building of the Party, and all the responsibilities for the research, planning, implementation and monitoring work of the building of the Party. The Board of the Directors, the supervisory committee and the senior management of the Bank shall support the Party organization of the Bank to perform their duties and initiate their job. The Board of the Directors, the supervisory committee and the senior management party members shall actively support and participate in the building of the Party.</u></p>
Article 153	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders’ general meetings.</p>	<u>Article 153</u> <u>154</u>	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders’ general meetings.</p> <p><u>The Board of Directors of the Bank shall firstly take the opinions from the Party Committee into account when deciding on material issues.</u></p>

Article 172	The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.	Article 172 173	The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management <u>and consumer rights protection</u> committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.
Article 173	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management committee shall work in the Bank no less than twenty-five (25) working days each year.</p>	Article- 173 174	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management <u>and consumer rights protection</u> committee shall work in the Bank no less than twenty-five (25) working days each year.</p>

<p>Article 176</p>	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board. 	<p>Article 176177</p>	<p>The major responsibilities of the Risk Management and Consumer Rights Protection Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.
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Note: Due to the addition of chapters and clauses, the numeric order of the chapters and clauses are adjusted accordingly.

Amendments to the Articles of Association (Preference Shares)

Original Article	Original Clause	Amended Article	Amended Clause
Article 2	The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license No. 370000018010094 from the Shandong Administration for Industry and Commerce, and obtained an independent legal person qualification.	Article 2 The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license <u>with No. 370000018010094</u> unified social credit code of 91370200264609602K from the Shandong Administration for Industry and Commerce of Qingdao , and obtained an independent legal person qualification.
Article 4	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province Postal code: 266071 Telephone number: 0532-85709728 Facsimile number: 0532-85709725	Article 4	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province. <u>3/F, No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province.</u> Postal code: 266071 <u>266061</u> Telephone number: 0532-85709728 Facsimile number: 0532-85709725 <u>0532-85783866</u>

Nil	Nil	<u>Article 14</u>	<p><u>In accordance with the “Constitution of the Communist Party of China”, the Bank shall establish a committee for the Communist Party of China (the “Party Committee”) and the grass-roots Party organization to carry out work of the Party. The organizational structure of the Party organization and its staffing shall be incorporated into the administrative organs and the budgeted posts of the Bank. The Bank shall include expenses of the Party organization in the Bank’s budget, which will be credited to the Bank’s management fee.</u></p> <p><u>The Party organization shall assume major responsibilities for the building of the Party, and all the responsibilities for the research, planning, implementation and monitoring work of the building of the Party. The Board of Directors, the supervisory committee and the senior management of the Bank shall support the Party organization of the Bank to perform their duties and initiate their job. The Board of Directors, the supervisory committee and the senior management party members shall actively support and participate in the building of the Party.</u></p>
Article 149	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders’ general meetings.</p>	<u>Article 149</u> <u>150</u>	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders’ general meetings.</p> <p><u>The Board of Directors of the Bank shall firstly take the opinions from the Party Committee into account when deciding on material issues.</u></p>

Article 168	The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.	Article 168169	The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management <u>and consumer rights protection</u> committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.
Article 169	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management committee shall work in the Bank no less than twenty-five (25) working days each year.</p>	Article 169170	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management <u>and consumer rights protection</u> committee shall work in the Bank no less than twenty-five (25) working days each year.</p>

<p>Article 172</p>	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board. 	<p>Article 172173</p>	<p>The major responsibilities of the Risk Management and Consumer Rights Protection Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.
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Note: Due to the addition of chapters and clauses, the numeric order of the chapters and clauses are adjusted accordingly.

Amendments to the Articles of Association (A Shares and Preference Shares)

Original Article	Original Clause	Amended Article	Amended Clause
Article 2	The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license No. 370000018010094 from the Shandong Administration for Industry and Commerce, and obtained an independent legal person qualification.	Article 2 The Bank has been registered with the Administration for Industry and Commerce of Qingdao with the business license No. 26460960-2-1 on November 15, 1996. Currently, the Bank holds the business license <u>with No. 370000018010094</u> unified social credit code of 91370200264609602K from the Shandong Administration for Industry and Commerce of Qingdao , and obtained an independent legal person qualification.
Article 4	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province Postal code: 266071 Telephone number: 0532-85709728 Facsimile number: 0532-85709725	Article 4	Domicile of the Bank: No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province. <u>3/F, No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province.</u> Postal code: 266071 <u>266061</u> Telephone number: 0532-85709728 Facsimile number: 0532-85709725 <u>0532-85783866</u>

Nil	Nil	<u>Article 14</u>	<p><u>In accordance with the “Constitution of the Communist Party of China”, the Bank shall establish a committee for the Communist Party of China (the “Party Committee”) and the grass-roots Party organization to carry out work of the Party. The organizational structure of the Party organization and its staffing shall be incorporated into the administrative organs and the budgeted posts of the Bank. The Bank shall include expenses of the Party organization in the Bank’s budget, which will be credited to the Bank’s management fee.</u></p> <p><u>The Party organization shall assume major responsibilities for the building of the Party, and all the responsibilities for the research, planning, implementation and monitoring work of the building of the Party. The Board of Directors, the supervisory committee and the senior management of the Bank shall support the Party organization of the Bank to perform their duties and initiate their job. The Board of Directors, the supervisory committee and the senior management Party members shall actively support and participate in the building of the Party.</u></p>
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<p>Article 153</p>	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders' general meetings.</p>	<p>Article 153154</p>	<p>The Board of Directors shall perform the following duties:</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders' general meetings.</p> <p><u>The Board of Directors of the Bank shall firstly take the opinions from the Party Committee into account when deciding on material issues.</u></p>
<p>Article 172</p>	<p>The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.</p>	<p>Article 172173</p>	<p>The Board of Directors shall establish the audit committee, the related party transactions control committee, risk management <u>and consumer rights protection</u> committee, strategy committee, remuneration committee, nomination committee and information technology committee. The Board of Directors may establish other committees and adjust the existing committees when necessary.</p>

<p>Article 173</p>	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management committee shall work in the Bank no less than twenty-five (25) working days each year.</p>	<p>Article 173174</p>	<p>Each committee shall have at least three (3) members, and every member of the Board committees shall be a Director.</p> <p>A chairman shall be appointed to each Board committee to take charge of convening the activities of the Board committee. The chairman of the related party transactions control committee, audit committee, remuneration committee and nomination committee shall be served by an independent director, and independent directors shall form the majority of these four committees. Directors appointed as a person-in-charge for the audit committee, related party transactions control committee and risk management and consumer rights protection committee shall work in the Bank no less than twenty-five (25) working days each year.</p>
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<p>Article 176</p>	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board. 	<p>Article 176 177</p>	<p>The major responsibilities of the Risk Management and Consumer Rights Protection Committee are as follows:</p> <ol style="list-style-type: none"> (1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and to examine regularly the relevant risk profile reports; (2) review the Bank’s risk management policy, condition, ability and level regularly; (3) give suggestions on improving the Bank’s risk management and internal control; (4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures; (5) formulate the Bank’s strategy, policy and target in protecting consumers’ rights, to listen to the senior management’s special report on protection of consumers’ rights regularly and submit the reports to the Board for consideration; and (6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.
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Note: Due to the addition of chapters and clauses, the numeric order of the chapters and clauses are adjusted accordingly.

The aforesaid resolution on the amendments to the Articles of Association is subject to the Shareholders' approval at the EGM.

Meanwhile, the Board also agreed to propose at the EGM for the consideration and approval to authorize the Board to delegate its power to the chairman (with the right of further delegation) to deal with all the matters relating to the above amendments to the Articles of Association, including but not limited to making necessary amendments or adjustments to the Articles of Association according to the opinions expressed by regulatory authorities, deciding and timely reporting to the banking regulatory authority for approval and company registrars for regulatory modification based on the progress of the A Shares Offering and the Preference Shares Offering.

If the Bank completes the Preference Shares Offering before the date of the EGM, the Existing Articles of Association and the Articles of Association (A Shares) shall become void automatically and no amendments needed to be made. The EGM shall only consider the amendments to the Articles of Association (Preference Shares) and the Articles of Association (A Shares and Preference Shares).

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

Shandong, the PRC, 18 August 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. Wong Tin Yau, Kelvin, Mr. Chen Hua, Ms. Dai Shuping and Mr. Simon Cheung 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.*