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If you have sold or transferred all your shares in **Bank of Qingdao Co., Ltd.***, you should at once hand this circular and the proxy form and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

CHANGE OF DOMICILE
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF 2017 SECOND EXTRAORDINARY GENERAL MEETING

The letter from the Board is set out on pages 4 to 29 of this circular.

The Bank will hold the 2017 Second EGM at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, the PRC at 9:00 a.m. on Tuesday, 10 October 2017. The notice, reply slip and proxy form dated 21 August 2017 of the 2017 Second EGM have been sent to the Shareholders pursuant to the Hong Kong Listing Rules.

If you intend to attend and/or vote at the 2017 Second EGM, you are required to (i) complete such reply slip in accordance with the instructions printed thereon and return it to the Bank's H share registrar (for H Shareholder(s)) or the Bank's PRC registered office and principal place of business (for Domestic Shareholder(s)) on or before Tuesday, 19 September 2017; and (ii) complete such proxy form in accordance with the instructions printed thereon and return it to the Bank's H share registrar (for H Shareholder(s)) or the Bank's PRC registered office and principal place of business (for Domestic Shareholder(s)) not less than 24 hours before the designated time for convening the related meeting or any adjournment thereof. Completion and return of the proxy form shall not affect your right to attend or vote at such meeting or any adjournment thereof in person.

* *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 out banking and/or deposit-taking business in Hong Kong.*

21 August 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2017 Second EGM” or “EGM”	the 2017 second extraordinary general meeting of the Bank to be held at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, the PRC at 9:00 a.m. on Tuesday, 10 October 2017
“A Share(s)”	ordinary share(s) proposed to be issued by the Bank under the A Share Offering and subscribed for in RMB
“A Share Offering”	the Bank’s proposed initial public offering of no more than 1,000,000,000 A Shares, which will be listed on the Shenzhen Stock Exchange
“Articles of Association”	the articles of association of the Bank
“Articles of Association (A Shares)”	the Articles of Association of Bank of Qingdao Co., Ltd. to be effective only upon the completion of the A Shares Offering, which were considered and approved at the 2016 second extraordinary general meeting of the Bank held on 14 October 2016, and obtained the approval from the Qingdao CBRC
“Articles of Association (Preference Shares)”	the Articles of Association of Bank of Qingdao Co., Ltd. to be effective upon the completion of the Preference Shares Offering prior to the completion of A Shares Offering, which 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
“Articles of Association (A Shares and Preference Shares)”	the Articles of Association of Bank of Qingdao Co., Ltd. to be effective upon the completion of both the A Shares Offering and the Preference Shares Offering, which were considered and approved at the 2016 annual general meeting of the Bank held on 11 May 2017
“Bank”	Bank of Qingdao Co., Ltd. (青島銀行股份有限公司), a joint stock company established on 15 November 1996 with limited liability in accordance with the Company Law of the PRC (中華人民共和國公司法), and the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 03866)

DEFINITIONS

“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBRC”	the China Banking Regulatory Commission (中國銀行業監督管理委員會)
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	ordinary shares of nominal value of RMB1.00 each issued by the Bank in the PRC, which are subscribed for in RMB
“Existing Articles of Association”	the existing Articles of Association of Bank of Qingdao Co., Ltd.
“Existing Rules of Procedures for the Board”	the existing Rules of Procedures for the Board of the Bank
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Shareholder(s)”	holder(s) of H Shares
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank, which are listed on the Hong Kong Stock Exchange (Stock Code: 03866) and traded in Hong Kong dollars
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise revised from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Offshore Preference Shares”	the preference shares of an aggregate value of not more than RMB8 billion or its equivalent, proposed to be issued by the Bank in the offshore market pursuant to the Preference Shares Offering

DEFINITIONS

“Preference Share Offering”	the Bank’s proposed issuance of preference shares of an aggregate value of not more than RMB8 billion or its equivalent, proposed to be issued by the Bank in the offshore market
“PBOC”	The People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region and Taiwan
“Qingdao CBRC”	Qingdao Office of the CBRC
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures for the Board”	the Rules of Procedures for the Board of the Bank
“Rules of Procedures for the Board (A Shares)”	the Rules of Procedures for the Board of Bank of Qingdao Co., Ltd. to be effective only upon the completion of the A Shares Offering, which were considered and approved at the 2016 second extraordinary general meeting of the Bank held on 14 October 2016
“Rules of Procedures for the Board (Preference Shares)”	the Rules of Procedures for the Board of Bank of Qingdao Co., Ltd. to be effective upon the completion of the Preference Shares Offering prior to the completion of A Shares Offering, which were considered and approved at the 2016 annual general meeting of the Bank held on 11 May 2017
“Rules of Procedures for the Board (A Shares and Preference Shares)”	the Rules of Procedures for the Board of Bank of Qingdao Co., Ltd. to be effective upon the completion of both the A Shares Offering and the Preference Shares Offering, which were considered and approved at the 2016 annual general meeting of the Bank held on 11 May 2017
“Share(s)”	Domestic Shares and/or H Shares of the Bank
“Shareholder(s)”	holder(s) of Shares

In case of any discrepancy between the Chinese and English versions of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD

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)
(Stock code: 3866)

Members of the Board:

Executive Directors:

GUO Shaoquan (*Chairman*)
WANG Lin
YANG Fengjiang
LU Lan

Non-executive Directors:

ZHOU Yunjie
Rosario STRANO
WANG Jianhui
TAN Lixia
Marco MUSSITA
CHOI Chi Kin, Calvin

Independent Non-executive Directors:

WANG Zhuquan
WONG Tin Yau, Kelvin
CHEN Hua
Dai Shuping
Simon CHEUNG

To the Shareholders

Registered Address and

Address of Head Office:

No. 68 Hong Kong Middle Road
Shinan District
Qingdao
Shandong Province
PRC

Principal Place of Business

in Hong Kong:

36th Floor, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

**CHANGE OF DOMICILE
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF 2017 SECOND EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Bank dated 18 August 2017. The Board of Directors invite you to attend the 2017 Second EGM to be held at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, the PRC at 9:00 a.m. on Tuesday, 10 October 2017. This circular aims to provide more information on matters set out in the above announcement and the notice of the 2017 Second EGM.

* *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 out banking and/or deposit-taking business in Hong Kong.*

LETTER FROM THE BOARD

II. MATTERS TO BE CONSIDERED AT THE 2017 SECOND EGM

1. CHANGE OF DOMICILE OF BANK OF QINGDAO CO., LTD.

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 Shareholders’ approval at the general meeting of the Bank. Accordingly, the Board will propose at 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.

2. AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF BANK OF QINGDAO CO., LTD.

Pursuant to relevant regulations including the Notice of 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 proposed to add a 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 the Rules of Procedures for the Board 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, 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 A Shares Offering, the Bank has amended the Existing Rules of Procedures for the Board and formulated 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.

LETTER FROM THE BOARD

2. In order to fulfill the requirements for 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 (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 (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.

It is proposed at the EGM for the consideration of and approval for the above amendments to the Rules of Procedures for the Board. Meanwhile, it is also proposed at the EGM for the consideration of and approval for authorizing 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).

LETTER FROM THE BOARD

3. AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BANK OF QINGDAO CO., LTD.

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, 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 (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 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 (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 (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.

LETTER FROM THE BOARD

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 2The 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 2The 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>Building No. 3, 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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
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 establishment 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 research, planning, implementation and monitoring work of the establishment 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 establishment of the Party.</u></p>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 149	<p>The Board of Directors shall perform the following duties:</p> <p>.....</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders' general meetings.</p>	Article 149<u>150</u>	<p>The Board of Directors shall perform the following duties:</p> <p>.....</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	<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>	Article 168<u>169</u>	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
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 169<u>170</u>	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 172	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <p>(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;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(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 172 <u>Article 173</u>	<p>The major responsibilities of the Risk Management <u>and Consumer Rights Protection</u> Committee are as follows:</p> <p>(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;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.</p>

Note: As a result of addition of clauses, numbering of the Existing Articles of Association have been adjusted accordingly.

LETTER FROM THE BOARD

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 2The 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</u> <u>No. 370000018010094</u> <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>Building No. 3, 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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
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 establishment 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 research, planning, implementation and monitoring work of the establishment 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 establishment of the Party.</u></p>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 153	<p>The Board of Directors shall perform the following duties:</p> <p>.....</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders' general meetings.</p>	Article 153154	<p>The Board of Directors shall perform the following duties:</p> <p>.....</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	<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>	Article 172173	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
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 173174	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 176	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <p>(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;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(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 <u>Article 177</u>	<p>The major responsibilities of the Risk Management and Consumer Rights Protection Committee are as follows:</p> <p>(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;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.</p>

Note: As a result of addition of clauses, the numbering of the Articles of Association (A Shares) have been adjusted accordingly.

LETTER FROM THE BOARD

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 2The 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</u> <u>No. 370000018010094</u> <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>Building No. 3, 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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Nil	Nil	Article 14	<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 establishment 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 research, planning, implementation and monitoring work of the establishment 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 establishment of the Party.</u></p>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 149	<p>The Board of Directors shall perform the following duties:</p> <p>.....</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders' general meetings.</p>	Article 149<u>150</u>	<p>The Board of Directors shall perform the following duties:</p> <p>.....</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	<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>	Article 168<u>169</u>	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
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 169<u>170</u>	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 172	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <p>(1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and examine regularly the relevant risk profile reports;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(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 172 <u>Article 173</u>	<p>The major responsibilities of the Risk Management and Consumer Rights Protection Committee are as follows:</p> <p>(1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and examine regularly the relevant risk profile reports;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.</p>

Note: As a result of the addition of clauses, the numbering of the Articles of Association (Preference Shares) have been adjusted accordingly.

LETTER FROM THE BOARD

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 2The 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</u> <u>No. 370000018010094</u> <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>Building No. 3, 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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
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 establishment 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 research, planning, implementation and monitoring work of the establishment 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 establishment of the Party.</u></p>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 153	<p>The Board of Directors shall perform the following duties:</p> <p>.....</p> <p>(18) other rights conferred by the laws, administrative regulations, departmental rules, regulatory documents or these Articles and the shareholders' general meetings.</p>	Article 153154	<p>The Board of Directors shall perform the following duties:</p> <p>.....</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	<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>	Article 172173	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
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 173174	<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>

LETTER FROM THE BOARD

Original Article	Original Clause	Amended Article	Amended Clause
Article 176	<p>The major responsibilities of the Risk Management Committee are as follows:</p> <p>(1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and examine regularly the relevant risk profile reports;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(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 <u>Article 177</u>	<p>The major responsibilities of the Risk Management and Consumer Rights Protection Committee are as follows:</p> <p>(1) supervise, review the risk management in areas such as credit, market, liquidity, operation, compliance, information technology and reputation, and examine regularly the relevant risk profile reports;</p> <p>(2) review the Bank’s risk management policy, condition, ability and level regularly;</p> <p>(3) give suggestions on improving the Bank’s risk management and internal control;</p> <p>(4) decide on the strategy of overall risk management, confirm the overall risk limits and formulate suitable risk management procedure and measures;</p> <p>(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;</p> <p>(6) to perform other duties required by the laws, administrative regulations, departmental rules, regulatory documents, these Articles and as authorized by the Board.</p>

Note: As a result of addition of clauses, the numbering of the Articles of Association (A Shares and Preference Shares) have been adjusted accordingly.

LETTER FROM THE BOARD

It is proposed at the EGM for the consideration and approval to the aforesaid amendments to the Articles of Association. Meanwhile, it is also proposed 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 of the Bank.

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).

III. THE 2017 SECOND EGM

The Bank intends to convene the 2017 Second EGM at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, the PRC, at 9:00 a.m. on Tuesday, 10 October 2017 to consider and, if thought fit, to pass matters as set out in the notice of the 2017 Second EGM. A notice, a form of proxy and a reply slip of the 2017 Second EGM have been despatched to the Shareholders in accordance with the Hong Kong Listing Rules on 21 August 2017 and are enclosed herein. The notice of the 2017 Second EGM is set out on pages 30 to 32 of this circular.

If you intend to attend the 2017 Second EGM, you are required to complete and return the enclosed reply slip to the H Share registrar of the Bank on or before Tuesday, 19 September 2017.

Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the 2017 Second EGM or at any adjournment, and completion and return of the reply slip do not affect the right of a Shareholder to attend and vote at the respective meeting.

LETTER FROM THE BOARD

IV. CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY TO ATTEND AND VOTE AT THE 2017 SECOND EGM

The share register of members of the Bank will be closed from Saturday, 9 September 2017 to Tuesday, 10 October 2017 (both days inclusive), during which period no share transfer will be registered. In order to be eligible to attend and vote at the 2017 Second EGM, H Shareholders must lodge the share transfer documents accompanied by the relevant share certificates and other appropriate documents with the Bank's H Share registrar, Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no later than 4:30 p.m. on Friday, 8 September 2017. Shareholders whose name appears in the register of members of the Bank on Saturday, 9 September 2017, will be eligible to attend and vote at the 2017 Second EGM.

V. METHODS OF VOTING AT THE 2017 SECOND EXTRAORDINARY GENERAL MEETING

Pursuant to the requirements of Rule 13.39(4) of the Hong Kong Listing Rules, voting by the Shareholders at the 2017 Second EGM shall be taken by way of poll.

To the best knowledge of the Bank, no Shareholder or its associate is deemed to have a material interest in any of the resolutions to be proposed at the EGM, and therefore no Shareholder is required to abstain from voting on any resolutions.

We wish to draw your attention that in accordance with Article 60 of the Articles of Association of the Bank, if you pledge 50% or more of your equity interest held in the Bank, your voting right at the 2017 Second EGM as well as the voting right of the Director(s) you nominated at meetings of the Board, will be subject to restrictions.

VI. RECOMMENDATIONS

The Board (including the independent non-executive Directors) considers that the resolutions to be proposed at the 2017 Second EGM are in the interests of the Bank and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all resolutions to be proposed at the 2017 Second EGM.

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

Shandong, the PRC, 21 August 2017

* *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 out banking and/or deposit-taking business in Hong Kong.*

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)

**NOTICE OF 2017 SECOND EXTRAORDINARY
GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2017 second extraordinary general meeting (the “**2017 Second EGM**”) of Bank of Qingdao Co., Ltd. (the “**Bank**”) will be held at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, the People’s Republic of China (the “**PRC**”), at 9:00 a.m. on Tuesday, 10 October 2017 for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. resolution on the change of domicile of Bank of Qingdao Co., Ltd.
2. resolution on the amendments to the rules of procedure for the board of directors of Bank of Qingdao Co., Ltd.

SPECIAL RESOLUTION

1. resolution on the amendments to the Articles of Association of Bank of Qingdao Co., Ltd.

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

Shandong, PRC, 21 August 2017

As at the date of this notice, 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 out banking and/or deposit-taking business in Hong Kong.*

NOTICE OF 2017 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), all resolutions proposed at the 2017 Second EGM shall be voted by poll, except for those related to procedural or administrative matters to be voted by a show of hands as permitted by the chairman. Results of the poll voting will be published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Bank (www.qdccb.com/) as required by the Listing Rules.

2. **Closure of register of members and eligibility for attending and voting at the 2017 Second EGM**

H Shareholders are advised that the share register will be closed from Saturday, 9 September 2017 to Tuesday, 10 October 2017 (both days inclusive). To be eligible for attending and voting at the 2017 Second EGM, the transfer documents together with relevant share certificates and other appropriate documents must be deposited at the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 8 September 2017. Shareholders whose names appear on the register of members of the Bank on Saturday, 9 September 2017 are entitled to attend and vote at the 2017 Second EGM. Pursuant to the requirement of the Articles of Association of the Bank, where a shareholder pledges 50% or more of his/her equity interests in the Bank, the voting rights of such shareholder at the 2017 Second EGM shall be subject to restrictions.

3. **Reply slip**

Shareholders who intend to attend and vote at the 2017 Second EGM in person or by proxy are required to complete and return the enclosed reply slip to the Bank’s H Share registrar (for H Shareholder(s)) or the Bank’s PRC registered office and principal place of business (for domestic shareholder(s)) on or before Tuesday, 19 September 2017. The reply slip may be delivered by hand, by post or by fax to Computershare Hong Kong Investor Services Limited, the Bank’s H Share registrar (for H Shareholder(s)), or the Bank’s PRC registered office and principal place of business (for domestic shareholder(s)). Completion and return of the reply slip do not affect the right of a shareholder to attend and vote at the 2017 Second EGM.

However, in the event that shareholders do not return the reply slips, and the reply slips state that the number of shares with voting right represented by those shareholders intending to attend the 2017 Second EGM does not amount to half of the total number of shares with voting right of the Bank, the 2017 Second EGM may be adjourned.

4. **Proxy**

Any shareholder entitled to attend and vote at the 2017 Second EGM is entitled to appoint one or more persons (whether such person is a shareholder of the Bank or not) as his/her proxy or proxies to attend and vote on his/her behalf at the 2017 Second EGM. As far as all joint shareholders of any shares are concerned, only the joint shareholder whose name appears first in the share register of members has the right to receive the share certificate of the relevant shares from the Bank, to receive notices of the Bank and any notice served on such a shareholder shall be treated as having been served on all the other joint shareholders of those shares. In the case of joint shareholders, any one shareholder may sign the proxy form(s). The vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the share register of members in respect of the joint shareholding.

The appointment of a proxy must be in writing with a form under the hand of the appointer or his/her attorney duly authorised in writing. For a corporate appointer, the proxy form must be affixed with the common seal or signed by its director or attorney duly authorised in writing. To be valid, the instrument appointing a proxy together with the power of attorney or other authorisation document (if any) or a notarially certified copy of that power of attorney or other authorisation document must be completed and returned to the Bank’s H Share registrar (for H Shareholder(s)) or the Bank’s PRC registered office and principal place of business (for domestic shareholder(s)) not less than 24 hours before the designated time for the holding of the 2017 Second EGM or any adjournment thereof. Completion and return of the form(s) of proxy will not preclude shareholders from attending and voting in person at the 2017 Second EGM or at any adjournment if he/she so wishes.

NOTICE OF 2017 SECOND EXTRAORDINARY GENERAL MEETING

5. Others

(1) The 2017 Second EGM is estimated to last no longer than half a working day. Shareholders who attend the meeting in person or by proxy shall bear their own traveling and accommodation expenses.

(2) Address of Computershare Hong Kong Investor Services Limited:

17M Floor, Hopewell Centre,
183 Queen's Road East, Wanchai,
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

Address of the PRC registered office and principal place of business of the Bank:

No. 68 Hong Kong Middle Road,
Shinan District,
Qingdao,
Shandong Province,
PRC
Telephone: +86 (532) 8570 9728
Fax: +86 (532) 8570 9725