

Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus dated November 20, 2015 (the “**Prospectus**”) issued by Bank of Qingdao Co., Ltd. (the “**Bank**”).

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**BQD**  **青島銀行**  
**Bank of Qingdao Co., Ltd.\***  
**青島銀行股份有限公司 \***

(A joint stock limited company incorporated in the People’s Republic of China)  
(Stock Code: 3866)

## **PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD**

### **PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Bank announces that the Over-allotment Option described in the Prospectus was partially exercised by the Joint Global Coordinators (on behalf of the International Underwriters) on December 24, 2015 in respect of an aggregate of 51,898,000 H Shares (the “**Over-allotment Shares**”), representing approximately 5.24% of the Offer Shares initially available under the Global Offering before the exercise of the Over-allotment Option, to cover the over-allocations under the International Offering. As at the date of this announcement, a cornerstone investor who has agreed to delayed delivery of 30,000,000 H shares has yet to pay for the shares. Accordingly, the exercise of the Over-allotment Option has not included the shares previously allocated to such an investor. As the Global Offering remains over-subscribed, the Bank and the Underwriters are of the view that this would not have any material effect on the Global Offering. The Over-allotment Shares will be issued and allotted by the Bank and sold by the Selling Shareholders at HK\$4.75 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

In accordance with relevant PRC regulations regarding the transfer of state-owned shares and the letter issued by the NSSF, the Selling Shareholders are required to sell an aggregate of 4,718,000 additional Sale Shares, equivalent to 10% of the number of the H Shares to be issued by the Bank pursuant to the exercise of the Over-allotment Option, and remit the proceeds to the account designated by the NSSF.

## **STABILIZING ACTIONS AND END OF STABILIZATION PERIOD**

The Bank further announces that the stabilization period in connection with the Global Offering ended on December 25, 2015, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The Bank was informed by Goldman Sachs (Asia) L.L.C., the Stabilizing Manager, that the stabilizing actions undertaken by Goldman Sachs (Asia) L.L.C., its affiliates or any person acting for it during the stabilization period were:

- (i) over-allocation of an aggregate of 148,500,000 H Shares in the International Offering, representing approximately 15.0% of the Offer Shares initially offered under the Global Offering before any exercise of the Over-allotment Option;
- (ii) successive purchases of an aggregate of 66,602,000 H Shares in the price range of HK\$4.70 to HK\$4.75 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase made by the Stabilizing Manager on the market during the course of the stabilization period was on December 24, 2015 at the price of HK\$4.75 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%); and
- (iii) the partial exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on December 24, 2015 in respect of an aggregate of 51,898,000 H Shares, representing approximately 5.24% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per H Share.

## **PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Bank announces that the Over-allotment Option described in the Prospectus was partially exercised by the Joint Global Coordinators (on behalf of the International Underwriters) on December 24, 2015 in respect of an aggregate of 51,898,000 H Shares, representing approximately 5.24% of the Offer Shares initially available under the Global Offering before exercise of the Over-allotment Option.

The Over-allotment Shares will be issued and allotted by the Bank and sold by the Selling Shareholders at HK\$4.75 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering. The Over-allotment Shares will be used to, among other things, cover over-allocations in the International Offering. As at the date of this announcement, a cornerstone investor who has agreed to delayed delivery of 30,000,000 H shares has yet to pay for the shares. Accordingly, the exercise of the Over-allotment Option has not included the shares previously allocated to such an investor. As the Global Offering remains over-subscribed, the Bank and the Underwriters are of the view that this would not have any material effect on the Global Offering.

### **Conversion of Domestic Shares**

In accordance with relevant PRC regulations regarding the transfers of state-owned Shares and a letter issued by NSSF on November 5, 2015 in this regard, proceeds from the conversion of Domestic Shares held by the Selling Shareholders to H Shares upon partially exercise of the Over-allotment Option (the “**Conversion**”) and sale of such H Shares by the Selling Shareholders, being 4,718,000 H Shares (representing 10% of the number of H Shares to be issued by the Bank pursuant to the partial exercise of the Over-allotment Option), will be remitted to an account designated by NSSF. The Conversion was made on a one-for-one basis into H Shares in accordance with relevant PRC regulations. The Bank will not receive any proceeds from the sale of the additional Sale Shares by the Selling Shareholders.

### **Approval of Listing**

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:00 a.m. on January 4, 2016.

## Share Capital upon the Partial Exercise of Over-allotment Option

The shareholding structure of the Bank immediately before and immediately after the completion of the partial exercise of the Over-allotment Option is as follows:

	Immediately before the partial exercise of the Over-allotment Option		Immediately after the partial exercise of the Over-allotment Option	
	Number of Shares	Approximate percentage of share capital (%)	Number of Shares	Approximate percentage of share capital (%)
<b>Domestic Shares</b>	2,300,395,769	57.34%	2,295,677,769	56.56%
<b>H Shares</b>				
H Shares converted from Unlisted Foreign Shares held by ISP and Rothschilds	721,136,980	17.98%	721,136,980	17.77%
H Shares converted from Domestic Shares	90,000,000	2.24%	94,718,000	2.33%
H Shares issued pursuant to the Global Offering	900,000,000	22.44%	947,180,000	23.34%

## Use of Proceeds

The additional net proceeds of approximately HK\$219.78 million to be received by the Bank from the issue and allotment and sale of the Over-allotment Shares after deducting the underwriting commissions, the incentive fees and other estimated expenses in connection with the exercise of the Over-allotment Option, will be used by the Bank for the purposes as set out in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus.

The Bank will not receive any of the net proceeds from the sale of the additional Sale Shares by the Selling Shareholders pursuant to the Over-allotment Option.

## STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Bank further announces that the stabilization period in connection with the Global Offering ended on December 25, 2015, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The Bank was informed by Goldman Sachs (Asia) L.L.C., the Stabilizing Manager, that the stabilizing actions undertaken by Goldman Sachs (Asia) L.L.C., its affiliates or any person acting for it during the stabilization period were:

- (i) over-allocation of an aggregate of 148,500,000 H Shares in the International Offering, representing approximately 15.0% of the Offer Shares initially offered under the Global Offering before any exercise of the Over-allotment Option;
- (ii) successive purchases of an aggregate of 66,602,000 H Shares in the price range of HK\$4.70 to HK\$4.75 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase made by the Stabilizing Manager on the market during the course of the stabilization period was on December 24, 2015 at the price of HK\$4.75 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%); and
- (iii) the partial exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on December 24, 2015 in respect of an aggregate of 51,898,000 H Shares, representing approximately 5.24% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%).

## **PUBLIC FLOAT**

Immediately after the issue and allotment and the sale by the Selling Shareholders of the Over-allotment Shares, not less than 28.11% of the total issued share capital of the Bank will be held by the public. The Bank will satisfy the public float requirement under Rule 8.08(1)(a) of the Listing Rules.

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

Hong Kong, December 28, 2015

*As at the date of this announcement, the Board of Directors comprises Mr. Guo Shaoquan, Mr. Wang Lin and Mr. Yang Fengjiang as executive Directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Mr. Wang Jianhui, Ms. Tan Lixia and Mr. Marco Mussita as non-executive Directors; Mr. Wang Zhuquan, Mr. Du Wenhe, Mr. Wong Tin Yau, Kelvin and Mr. Chen Hua 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.*