

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

BQD  青岛银行

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 with limited liability)

(H Shares Stock Code: 3866)

(Preference Shares Stock Code: 4611)

ANNOUNCEMENT PROPOSED ISSUANCE OF TIER-TWO CAPITAL BONDS

The board of directors (the “**Board**”) of Bank of Qingdao Co., Ltd. (the “**Bank**”) is pleased to announce that, a meeting of the Board which was held on 28 August 2020 has considered and approved, among the other things, the proposal regarding the issuance of tier-two capital bonds.

The Board has agreed that subject to the approval of authorisation by the shareholders of the Bank (the “**Shareholders**”) at the general meeting to the Board, the Board shall delegate such authorisation to the chairman, the president and the secretary to the Board of the Bank to decide, after obtaining relevant regulatory authorities’ approvals and with reference to market conditions, on matters relating to the issuance of tier-two capital bonds, the total issue size of which not exceeding RMB6.0 billion (the “**Tier-two Capital Bonds**”).

On 16 January 2019, the Bank was listed on the A-share market on the Shenzhen Stock Exchange, through which its capital was replenished effectively. In the wake of rapid growth of the Bank’s asset size and operating performance, the capital adequacy level of the Bank is still faced with some pressure. In view of this, the Bank intends to, subject to relevant regulatory regulations and framework and with reference to its development needs, issue tier-two capital bonds in the interbank bond market in the PRC with the aim of further enhancing the capability of the Bank’s capital to support the development of the Bank as a whole, boosting the Bank’s core competitiveness and promoting sustainable development. The overall issuance plan is set out as follows:

- I. Total issue size: Not exceeding RMB6.0 billion.
- II. Bond maturity: The maturity of issuance is 5+5 years or 10+5 years.
- III. Interest rates of the bonds: Fixed interest rate, and determined jointly by the Bank and the lead underwriter based on the market conditions at the time of issuance.
- IV. Use of proceeds: All proceeds will be used to replenish the capital of the Bank and to maintain appropriate capital adequacy ratio.
- V. Valid term of the resolution regarding the issuance of Tier-two Capital Bonds: Valid for 36 months from the date of approval by the general meeting.

VI. Issuance authorisation: In view of uncertainties in relation to the issuance of Tier-two Capital Bonds by the Bank, such as changes in the time of issue or market conditions, and in order to ensure the successful issuance of the Bank's Tier-two Capital Bonds, it is proposed to the general meeting to authorize the Board and the Board to delegate the authority to the chairman, the president and the secretary to the Board of the Bank, to deal with relevant matters relating to the issuance of Tier-two Capital Bonds, including but not limited to dealing with following matters in relation to filing and approval:

1. In relation to the issuance of Tier-two Capital Bonds, to handle the filing, approval and verification procedures with the relevant regulatory authorities, to sign, execute, revise and complete all essential documents, and to determine and pay the expenses in relation to the issuance of Tier-two Capital Bonds.
2. Based on market conditions, to determine the timing, market and target subscribers, currency and amount, term, interest rate and method of the issuance of Tier-two Capital Bonds by the Bank.
3. To determine the specific terms of the bond issuance in accordance with the issuance plan above and the regulations and approvals by the relevant regulatory authorities, which include but not limited to writing down qualified tier-two capital bonds with write-down features as agreed upon occurrence of triggering events; to determine relevant matters in relation to the tranches, timing, size, currency and market of the bond issuance and the duration, rates, price, and target subscribers of the bonds as well as the method of issue and of payment.
4. To draft, revise, sign and execute all agreements, contracts and related documents during the bond issuance, to engage intermediaries, and to deal with other matters related to the bond issuance.
5. In accordance with the latest regulatory requirements by the regulatory authorities, to make appropriate adjustments to the terms of issuance within the scope of the issuance plan determined at the general meeting (including but not limited to the determination of the amount of issuance, maturity of bonds, type of interest rate, and other terms required to be adjusted by the regulatory authorities, etc.).
6. To handle other matters deemed necessary, appropriate or desirable for the issuance of Tier-two Capital Bonds in accordance with domestic and overseas laws and regulations.
7. Except for matters related to relevant laws, regulations and the Articles of Association of the Bank that are subject to a separate poll by the general meeting or the Board.

The aforementioned authorisations are valid for 36 months from the date of approval at the general meeting.

The proposal has been submitted to the 2020 first extraordinary general meeting to be held on 17 September 2020 for consideration and approval. A circular containing, among the other things, a notice of information on the meeting, including time and place of the meeting, and further information on the proposal will be dispatched to shareholders on 31 August 2020.

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

Qingdao, Shandong Province, the PRC
28 August 2020

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