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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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)

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2016 WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2016 REPORT FOR FINAL FINANCIAL ACCOUNTS FOR 2016 PROFIT DISTRIBUTION PLAN FOR 2016 ENGAGEMENT OF DOMESTIC AND FOREIGN AUDITORS AND THEIR REMUNERATION FOR 2017 PROPOSED CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR SPECIAL REPORT ON RELATED PARTY TRANSACTIONS FOR 2016 GENERAL MANDATE TO ISSUE SHARES MATTERS IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING MATTERS IN RESPECT OF THE A SHARE OFFERING AND NOTICE OF 2016 AGM

NOTICE OF 2017 SECOND H SHARE CLASS MEETING

* 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.

The letter from the Board is set out on pages 4 to 24 of this circular.

The Bank will hold the 2016 AGM and the Class Meetings at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, the PRC at 9:00 a.m. on Thursday, 11 May 2017. The notice, reply slip and proxy form dated 27 March 2017 of the 2016 AGM and the Class Meetings have been sent to the Shareholders pursuant to the Hong Kong Listing Rules.

If you intend to attend and/or vote at the 2016 AGM and/or the Class Meetings, 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 Friday, 21 April 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.

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DEFINITIONS

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

"2016 AGM"	the 2016 annual 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 Thursday, 11 May 2017		
"2017 Second H Share Class Meeting"	the 2017 second class meeting for H Shareholders of th Bank to be held at Conference Hall, 4th Floor, No. 6 Hong Kong Middle Road, Shinan District, Qingda Shandong Province, the PRC immediately after th conclusion of the 2016 AGM and the 2017 second class meeting for Domestic Shareholders on Thursday, 11 Ma 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		
"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), the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 03866)		
"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)		

DEFINITIONS

"Class Meetings"	the 2017 second class meeting for Domestic Shareholders and the 2017 Second H Share Class Meeting to be held at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Provide, the PRC immediately after the conclusion of the 2016 AGM on Thursday, 11 May 2017
"Director(s)"	the director(s) of the Bank
"Domestic Shareholder(s)"	holder(s) of Domestic Shares
"Domestic Shares"	ordinary shares of nominal value of RMB1.00 each issued by the Bank in the PRC, which are subscribed for in RMB
"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 Hong Kong Stock Exchange, as amended, supplemented or otherwise revised from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards
"Offshore Preference Shareholder(s)"	holder(s) of Offshore Preference Shares
"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 Issuance Plan

DEFINITIONS

"Offshore 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 pursuant to the Preference Shares Issuance Plan			
"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			
"Preference Shares Issuance Plan"	the plan for the non-public issuance of Offshore Preference Shares by the Bank			
"Qingdao CBRC"	Qingdao Supervision and Administration Bureau of China Banking Regulatory Commission (中國銀行業監督 管理委員會青島監管局)			
"RMB"	Renminbi, the lawful currency of the PRC			
"SFO"	Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)			
"Share(s)"	Domestic Shares and/or H Shares of the Bank			
"Shareholder(s)"	holder(s) of Shares			
"Supervisor(s)"	the supervisor(s) of the Bank			

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

BQD **口** 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)

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 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

Independent Non-executive Directors: WANG Zhuquan DU Wenhe WONG Tin Yau, Kelvin CHEN Hua DAI Shuping

To the Shareholders

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2016 WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2016 REPORT FOR FINAL FINANCIAL ACCOUNTS FOR 2016 PROFIT DISTRIBUTION PLAN FOR 2016 ENGAGEMENT OF DOMESTIC AND FOREIGN AUDITORS AND THEIR REMUNERATION FOR 2017 PROPOSED CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR SPECIAL REPORT ON RELATED PARTY TRANSACTIONS FOR 2016 GENERAL MANDATE TO ISSUE SHARES MATTERS IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING MATTERS IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING AND NOTICE OF 2016 AGM NOTICE OF 2017 SECOND H SHARE CLASS MEETING

I. INTRODUCTION

Reference is made to the announcement of the Bank dated 24 March 2017. The Board of Directors invite you to attend the 2016 AGM and the 2017 Second H Share Class Meeting 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 Thursday, 11 May 2017. This circular aims to provide more information on matters set out in the above announcement and the notices of the 2016 AGM and the 2017 Second H Share Class Meeting.

* 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.

II. MATTERS TO BE CONSIDERED AT THE 2016 AGM

1. Work Report of the Board of Directors for 2016

An ordinary resolution on the *Work Report of the Board of Directors of Bank of Qingdao Co., Ltd. for 2016* of the Bank will be proposed at the 2016 AGM for approval. For the Work Report of the Board of Directors for the year ended 31 December 2016, please refer to Appendix I of this circular.

2. Work Report of the Board of Supervisors for 2016

An ordinary resolution on the *Work Report of the Board of Supervisors of Bank of Qingdao Co., Ltd. for 2016* of the Bank will be proposed at the 2016 AGM for approval. For the Work Report of the Board of Supervisors for the year ended 31 December 2016, please refer to Appendix II of this circular.

3. Report for Final Financial Accounts for 2016

The Bank has prepared its annual financial statements for 2016 based on the PRC accounting standards and IFRS. KPMG Huazhen LLP and KPMG have audited such financial statements, respectively, and have issued their standard audit reports without any qualification. The final financial accounts for 2016 of the Bank are reported as below:

(i) Final financial accounts based on IFRS

In 2016, the Bank realized operating income of approximately RMB5,996 million, representing a growth of approximately RMB991 million or 19.79% from the corresponding period last year; profit before tax of approximately RMB2,674 million, representing a growth of approximately RMB325 million or 13.82% from the corresponding period last year; net profit of approximately RMB2,089 million, representing a growth of approximately RMB275 million or approximately 15.15% from the corresponding period last year.

As at the end of 2016, total asset amounted to approximately RMB277,988 million, representing a growth of RMB90,753 million or 48.47% from the beginning of the year; the quality of assets was relatively stable, with non-performing loan ratio of 1.36% and non-performing loan coverage of 194.01%.

(ii) Final financial accounts based on the PRC accounting standards

In 2016, the Bank realized operating income of approximately RMB6,022 million, representing a growth of approximately RMB1,016 million or 20.28% from the corresponding period last year; operating expense of approximately RMB3,345 million, representing a growth of approximately RMB670 million or 25.05% from the corresponding period last year; total profit of approximately RMB2,674 million, representing a growth of approximately RMB325 million or 13.82% from the corresponding period last year; net profit of approximately RMB2,089 million, representing a growth of approximately RMB275 million or approximately 15.15% from the corresponding period last year.

As at the end of 2016, total asset amounted to approximately RMB277,988 million, representing a growth of RMB90,753 million or 48.47% from the beginning of the year; the quality of assets was relatively stable, with non-performing loan ratio of 1.36% and non-performing loan coverage of 194.01%.

(iii) Differences between the PRC accounting standards and IFRS

The difference in operating income is attributable to the inclusion of other business expenses as well as non-operating income and expenses based on IFRS.

For details of the audited financial information of the Bank for the year ended 31 December 2016 prepared based on IFRS, please refer to the financial statements as set out in the 2016 annual report to be published by the Bank.

4. Profit Distribution Plan for 2016

The financial statements of the Bank for 2016 prepared in accordance with China Accounting Standards for Business Enterprises ("CASBE") have been audited by KPMG Huazhen LLP which has issued an auditor's report with unqualified opinions (KPMG Huazhen No. 1700156) and the financial statements of the Bank prepared in accordance with IFRS have been audited by KPMG which has also issued an auditor's report with unqualified opinions. Based on the aforesaid audited financial statements, the net realized profits of the Bank for 2016 recorded in both of the financial statements prepared in accordance with CASBE and IFRS were RMB2,088,605,101.88.

To this end, pursuant to the profit of the Bank, the Articles of Association of the Bank and relevant regulatory requirements, the Bank intends to implement the profit distribution plan for 2016 as below:

- (i) 10% of the net profit of the Bank shall be appropriated to statuary general reserve fund, amounting to RMB208,860,510.19;
- (ii) RMB1,304,908,154.09 shall be appropriated to the general reserve.

After the Bank has set aside statutory reserve fund and general reserve, surplus retained earnings in the current year and previous years will be distributed as follows:

The Bank will distribute to Shareholders whose name appears in the register of members of the Bank on 22 May 2017, a cash dividend of RMB0.20 per Share (inclusive of tax), in aggregate amount of RMB811,742,549.80 calculated at the total share capital of 4,058,712,749 Shares.

The dividend for H Shares will be paid in Hong Kong dollars, and the applicable exchange rate shall be the average of the central parity rates in the interbank foreign exchange market of the five business days preceding the date of declaration of such dividends at the 2016 AGM (including the day the 2016 AGM will be held) as announced by the PBOC.

Explanation for Tax Exemption and Waiver

For H Shareholders

Matters in relation to the proposed final dividend and withholding of income tax in respect of dividends to be received by overseas non-resident individual/enterprise Shareholders:

Non-resident enterprise Shareholders

In accordance with the *Enterprise Income Tax Law of the People's Republic of China* and the related implementation provisions effective from 1 January 2008, the Company shall withhold and pay enterprise income tax at the rate of 10% for non-resident enterprise shareholders whose names appear on the H-share register on 22 May 2017.

Non-resident individual Shareholders

Pursuant to the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) promulgated by the State Administration of Taxation on 28 June 2011, dividend received by overseas resident individual shareholders from domestic non-foreign invested enterprises which have issued share in Hong Kong are subject to individual income tax, which shall be withheld and paid by such domestic non-foreign invested enterprises acting as a withholding agent according to relevant laws; however, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax arrangements between the countries where they reside and China and the tax arrangements between mainland China and Hong Kong/Macau.

In accordance with the above tax regulations, the Bank shall withhold and pay enterprise income tax at the rate of 10% for individual holders of H Shares of the Bank unless otherwise specified by the relevant tax regulations and tax agreements, in which case the Bank will conduct specific procedures according to the relevant regulatory requirements of tax authorities.

If in any doubt as to the above arrangement, H Shareholders of the Bank may consult with their tax consultants on the advices of the tax implications involved in holding and disposing of H Shares of the Bank in Mainland China, Hong Kong and other countries (regions).

Closure of register of members and eligibility for final dividend distribution

The Share register for H Shares of the Bank will be closed from Wednesday, 17 May 2017 to Monday, 22 May 2017 (both days inclusive). In order to be entitled to the final dividend distribution, the H Shareholders of the Bank who have not registered are required to deposit the transfer documents together with relevant share certificates at the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 16 May 2017. Shareholders whose names appear on the register of members of the Bank at the close of business on Monday, 22 May 2017 are entitled to the final dividend distribution.

The Board is set to distribute the final dividends of 2016 on Thursday, 6 July 2017. If there are any changes to the dividend payment date, an announcement will be published regarding such changes.

5. Engagement of Domestic and Foreign Auditors and their Remuneration for 2017

The Bank will propose to engage KPMG Huazhen (LLP) as the domestic auditor of the Bank for 2017 and KPMG as the foreign auditor of the Bank for 2017, and the audit fees for the domestic and foreign financial statements for 2017 and the review fees for the foreign half-yearly financial statements amount to RMB3.6 million in aggregate.

6. Proposed Change of Independent Non-executive Director

(i) Appointment of Mr. Simon Cheung as an Independent Non-executive Director of the Sixth Session of the Board

The Board proposes to appoint Mr. Simon Cheung ("Mr. Cheung") as an independent non-executive Director of the sixth session of the Board, with a term commencing from the date on which such appointment has been considered and approved at the 2016 AGM and and his qualification has been approved by the Qingdao CBRC office until the expiry of the sixth session of the Board.

The biography of Mr. Cheung, as required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules, is set out as follows:

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

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

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

Mr. Cheung has not held any directorship in any public companies whose securities are listed on any securities market in Hong Kong or overseas, nor any other position held in the Bank or its subsidiaries during the past three years. Mr. Cheung does not have any relationship with any other Directors, Supervisors, members of senior management, substantial Shareholders or controlling Shareholders of the Bank. As at the date of this circular, Mr. Cheung does not have any interest in any shares of the Bank within the meaning under Part XV of the SFO.

Save as disclosed above, Mr. Cheung does not have any other information that is required to be disclosed under Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules, nor any other matters that are required to be disclosed under the abovementioned rule at present or in the past. Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders.

The above resolution is subject to consideration and approval at the 2016 AGM by way of an ordinary resolution.

(ii) Resignation of Mr. Du Wenhe

Due to work allocation reasons, Mr. Du Wenhe ("**Mr. Du**") has tendered his resignation to the Board from the position of independent non-executive Director of the sixth session of the Board and all positions in the Board committees of the Bank.

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

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

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

7. Special Report on Related Party Transactions for 2016

An ordinary resolution on the *Special Report on Related Party Transactions* of Bank of Qingdao Co., Ltd. for 2016 will be proposed at the 2016 AGM for approval, please refer to Appendix III of this circular for the text.

8. General Mandate to Issue Shares

With a view to fully leverage on the financing advantages of the capital market, capitalize on the financing channel in the market and promote the flexibility of capital management of the Bank, the Board, with reference to market practices, proposes to the 2016 AGM for the approval of granting a general mandate to issue Shares to the Board of the Bank and further delegation of authority by the Board in accordance with the requirements of applicable laws and regulations including Hong Kong Listing Rules and the provisions of the Articles of Association of the Bank.

(i) Specific plan on the general mandate to issue Shares

(1) Pursuant to the condition listed in (2) below and under the premise of compliance with the laws and regulations, the Board shall be authorized to separately or concurrently issue, allocate or otherwise deal with overseas-listed foreign Shares and/or Domestic Shares (including A Shares) as well as securities convertible into Shares during the Relevant Period (as defined below).

"Relevant Period" means the period from the date of passing this resolution on authorization by 2016 AGM until the earliest of: (1) the conclusion of 2017 annual general meeting of the Bank; (2) the expiration of the 12-month period following the passing of this resolution at the 2016 AGM of the Bank; (3) the date on which the authorization referred to in this resolution is revoked or varied by a special resolution at any general meeting of the Bank.

- (2) The Board shall be authorized to issue, allocate or otherwise deal with overseas-listed foreign Shares and Domestic Shares, and the respective amount shall not exceed 20% of the respective total number of issued class of shares of overseas-listed foreign Shares and Domestic Shares at the date on which this resolution is passed by the 2016 AGM (among which, the number of overseas-listed foreign Shares/Domestic Shares converted shall be counted for the issuance of securities convertible into Shares).
- (3) The Board shall be authorized to: (1) formulate and implement the detailed issue proposal which includes, but without limitation, the class of Shares to be issued and allocated, the pricing mechanism and/or the issue price (including a price range), the number of Shares to be issued, the target subscribers and the application of proceeds; to determine the timing of the issue, the issue period and the use of proceeds, and to determine whether to offer to existing Shareholders; (2) deal with matters in relation to the increase in registered capital of the Bank as to reflect the Shares to be issued under the authorization granted under this resolution, and make any amendments to clauses in the Articles of Association of the Bank in relation to issue of Shares and registered capital as it duly thinks necessary; (3) to consider and approve statutory documents submitted to relevant regulatory authorities related to the aforesaid issuance, and carry out relevant approval procedures under the requirements of regulatory authorities and the place where the shares of the bank are listed; (4) take any other necessary actions and proceed other necessary procedures in order to implement the issue proposal and realize the increase in registered capital of the Bank; (5) determine other matters related to the aforesaid issuance.

(ii) Relevant authorization

To increase the efficiency in decision-making, reduce the internal approval procedures and seize market opportunities, in relation to the general mandate to issue Shares, it is proposed to the Board and then to the 2016 AGM for approval to authorize the Board, and the Board further to authorize the authorized person(s) of the Board, to deal with matters regarding the general mandate to issue shares during the Relevant Period. The above authorization to the authorized person by the Board shall be determined by the Board upon the exercise of the general mandate under this resolution.

9. Matters in respect of the Offshore Preference Share Offering

Reference is made to the announcement dated 22 January 2017, the circular dated 16 February 2017, the poll results announcement dated 15 March 2017 and the announcement dated 24 March 2017, which set out, inter alia, information regarding the Offshore Preference Share Offering and relevant resolutions regarding the authorization to the Board to deal with matters relating to the Offshore Preference Share Offering.

(i) Proposed Amendments to the Articles of Association in respect of the Offshore Preference Share Offering

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

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

The above resolution is subject to consideration and approval at the 2016 AGM by way of a special resolution.

Please refer to Appendix IV of this circular for a comparison chart of the amendments to the Articles of Association in respect of the Offshore Preference Share Offering.

(ii) Proposed Amendments to the Rules of Procedures for the Shareholders' General Meetings in respect of the Offshore Preference Share Offering

In light of the proposed non-public issuance of the Offshore Preference Shares by the Bank, we intend to make certain amendments to the existing and effective the Rules of Procedures for the Shareholders' General Meetings in accordance with the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council of the PRC, the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the CBRC and CSRC and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Rules of Procedures for the Shareholders' General Meetings shall be subject to approval from banking regulatory authorities in the PRC, and take effect on the date of completion of the first tranche of the Offshore Preference Share Offering, provided that the first tranche of the Offshore Preference Share Offering will be completed before the A Share Offering.

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

The above resolution is subject to consideration and approval at the 2016 AGM by way of an ordinary resolution.

Please refer to Appendix V of this circular for a comparison chart of the amendments to the Shareholders' General Meetings in respect of the Offshore Preference Share Offering.

(iii) Proposed Amendments to the Rules of Procedures for the Board of Directors in respect of the Offshore Preference Share Offering

In light of the proposed non-public issuance of the Offshore Preference Shares by the Bank, we intend to make certain amendments to the existing and effective the Rules of Procedures for the Board of Directors in accordance with the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council of the PRC, the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the CBRC and CSRC and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Rules of Procedures for the Board of Directors shall be subject to approval from banking regulatory authorities in the PRC, and take effect on the date of completion of the first tranche of the Offshore Preference Share Offering, provided that the first tranche of the Offshore Preference Share Offering will be completed before the A Share Offering.

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

The above resolution is subject to consideration and approval at the 2016 AGM by way of an ordinary resolution.

Please refer to Appendix VI of this circular for a comparison chart of the amendments to the Rules of Procedures for the Board of Directors in respect of the Offshore Preference Share Offering.

(iv) Proposed Amendments to the Articles of Association (A Share) in respect of the Offshore Preference Share Offering

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

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

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

The above resolution is subject to consideration and approval at the 2016 AGM by way of a special resolution.

Please refer to Appendix VII of this circular for a comparison chart of the amendments to the Articles of Association (A Share) in respect of the Offshore Preference Share Offering.

(v) Proposed Amendments to the Rules of Procedures for the Shareholders' General Meetings (A Share) in respect of the Offshore Preference Share Offering

In order to meet the needs for the listing of A Share, the Bank formulated the applicable rules of procedures for the shareholders' general meetings upon the offering and listing of A Share (the "**Rules of Procedures for the Shareholders' General Meetings (A Share)**"), which were considered and approved at the general meeting of the Bank convened on 14 October 2016. The Rules of Procedures for the Shareholders' General Meetings (A Share) will be effective and implemented from the date of completion of the A share initial public offering and listing.

Given that the Offshore Preference Share Offering will impact the relevant provisions of the Rules of Procedures for the Shareholders' General Meetings (A Share), the Bank proposes to amend the Rules of Procedures for the Shareholders' General Meetings (A Share) in accordance with the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council of the PRC, the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the CBRC and CSRC and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Rules of Procedures for the Shareholders' General Meetings (A Share) shall take effect upon the completion of the issuance of the first tranche of Offshore Preference Shares and the A Share Offering. The Bank will implement the Rules of Procedures for the Shareholders' General Meetings (A Share) before these proposed amendments, provided that the Bank shall have completed the A Share Offering.

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

The above resolution is subject to consideration and approval at the 2016 AGM by way of an ordinary resolution.

Please refer to Appendix VIII of this circular for a comparison chart of the amendments to the Rules of Procedure for the Shareholders' General Meetings (A Share) in respect of the Offshore Preference Share Offering.

(vi) Proposed Amendments to the Rules of Procedures for the Board of Directors (A Share) in respect of the Offshore Preference Share Offering

In order to meet the needs for the listing of A Share, the Bank formulated the applicable rules of procedures for the Board of Directors upon the offering and listing of A Share (the "**Rules of Procedures for the Board of Directors (A Share**)"), which were considered and approved at the general meeting of the Bank convened on 14 October 2016. The Rules of Procedures for the Board of Directors (A Share) will be effective and implemented from the date of completion of the A share initial public offering and listing.

Given that the Offshore Preference Share Offering will impact the relevant provisions of the Rules of Procedures for the Board of Directors (A Share), the Bank proposes to amend the Rules of Procedures for the Board of Directors (A Share) in accordance with the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council of the PRC, the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the CBRC and CSRC and other relevant laws and regulations, and taking into account the actual situation of the Bank. The revised Rules of Procedures for the Board of Directors (A Share) shall take effect upon the completion of the issuance of the first tranche of Offshore Preference Shares and the A Share Offering. The Bank will implement the Rules of Procedures for the Board of Directors (A Share) before these proposed amendments, provided that the Bank shall have completed the A Share Offering.

It is proposed at the Shareholders' general meeting to agree the above amendments to the Rules of Procedures for the Board of Directors (A Share) and authorize the Board and delegate the chairman of the Board, the president and the secretary to the Board to,

individually or jointly, make further adjustments and modifications on the revised Rules of Procedures for the Board of Directors (A Share), in accordance with any changes in domestic or foreign laws, regulations and other regulatory documents and based on the requirements and advice of the relevant government agencies and regulatory authorities in or out of China, the actual situation of the A Share Offering, the actual situation of the Offshore Preference Share Offering and other related matters, as well as the proposed amendments to the Articles of Association (A Share) in respect of the proposed Offshore Preference Share Offering.

The above resolution is subject to consideration and approval at the 2016 AGM by way of an ordinary resolution.

Please refer to Appendix IX of this circular for a comparison chart of the amendments to the Rules of Procedures for the Board of Directors (A Share) in respect of the Offshore Preference Share Offering.

10. Matters in respect of the A Share Offering

Reference is made to the announcement dated 19 August 2016, the circular dated 27 September 2016, the poll results announcement dated 14 October 2016 and the announcement dated 12 December 2016, which set out, inter alia, information regarding the A Share Offering, relevant resolutions regarding the authorization to the Board to deal with matters relating to the A Share Offering, the Three-Year Dividend Plan after the Initial Public Offering and Listing of A Share of Bank of Qingdao Co., Ltd. (the "**Three-Year Dividend Plan after the A Share Offering**"), amendments to the Articles of Association and other corporate governance material.

The Bank proposed the A Share Offering in order to further optimize the corporate governance structure of the Bank, develop domestic and international financing platforms and improve the liquidity of the Shares held by all Shareholders. Under the requirements of the relevant laws, regulations and regulatory documents, such as the Company Law of the PRC, the Securities Law of the PRC, and the Measures for the Administration of Initial Public Offerings and Listing of Shares and the Opinions on Further Promoting the IPO System Reform issued by the CSRC, the Bank has set out the following plan:

(a) Class of shares

RMB ordinary shares (A Shares)

(b) Nominal value per share

RMB1.00

(c) Proposed stock exchange for the listing

Shenzhen Stock Exchange

(d) Offering size

The number of shares to be issued will be not more than 1,000,000,000 Shares, representing 43.56% and 24.64% of the Domestic Shares in issue and the total issued share capital of the Bank, respectively as at the date of this circular. The actual total offering size will be determined based on capital requirements of the Bank, communications with the regulatory authorities and the prevailing market conditions at the time of the offering.

(e) Target subscribers

Target subscribers will be qualified natural persons and institutional investors (excluding those in respect of which subscription has been prohibited under national laws and regulations). If any of the above target subscribers of the A Share Offering is a connected person of the Bank, the Bank will take all reasonable measures to comply with the relevant listing rule requirements of the jurisdictions at which the Shares are listed.

(f) Strategic placing

The Bank may carry out strategic placing at the time of the A Share Offering, as required, to investors who satisfy the requirements under applicable laws and regulations and the development strategy of the Bank. The specific placing ratio will be determined according to the requirements of laws and regulations and subject to market conditions at the time of such placing.

(g) Mode of offering

The offering will be conducted through a combination of placing to target subscribers at a price to be determined between the Bank and the subscribers on an offline basis and an offering to qualified public investors online at a fixed price, or through any other methods of offering as authorized by the CSRC.

(h) Pricing methodology

Taking into full account the interests of the existing Shareholders as a whole, and the conditions in the capital market and the Bank at the time of the A Share Offering, the issue price of the A Shares will be fixed through making enquiries with offline investors or fixed directly through negotiations between the lead underwriter(s) and the Bank, or by any other legally practicable methods.

(i) Form of underwriting

The offering will be underwritten by an underwriting syndicate led by a lead underwriter on a standby commitment basis.

As at the date of this circular, the Bank has yet to confirm the members of the underwriting syndicate and enter into any underwriting agreement. In future, if there are members of the underwriting syndicate who are connected persons of the Bank, the Bank will comply with the requirements of Chapter 14A of the Listing Rules and perform the corresponding disclosure obligations.

(j) Conversion into a joint stock company with limited liability with domestic and overseas listed shares

According to the plan for the A Share Offering and taking into account that H Shares have been issued in the H Share market, the Bank will make an application to convert it into a joint stock company with limited liability with domestic and overseas listed shares.

(k) Term of the offering plan

The offering plan shall be valid for 24 months from the date of approval by special resolution at a general meeting and the class meetings. In the event that the A Share Offering has not been completed within 12 months after the approval at such general meeting and the class meetings, relevant resolutions will be tendered by the Bank at a further general meeting and further class meetings for consideration and approval in respect of the new validity period of the offering plan and authorization period, which shall be a 12-month period after the approval at such further general meeting and further class meetings.

The proposed A Share Offering will be made pursuant to the specific mandate which was sought at and became effective upon the approval by special resolution at the general meeting and the class meetings respectively convened on 14 October 2016 and is currently still subject to approval by the PRC securities regulatory authorities (including the CSRC) and other related regulatory authorities (including the Shenzhen Stock Exchange). Since 14 October 2016, the Bank has submitted application materials (including the prospectus) to the CSRC in respect of the A Share Offering. The Bank received a letter dated 9 December 2016 from the CSRC confirming its acceptance of the Bank's A Share Offering application. The A Share Offering application is currently under review by the CSRC.

(i) Proposed Extension of the Validity Period of the plan for the A Share Offering

Given that the validity period of the plan for the A Share Offering shall expire within the twelve months from the consideration and approval at the general meeting and the class meeting dated 14 October 2016, being no later than 13 October 2017, it is expected

that the Bank's application for the A Share Offering will be still in progress until then. To ensure the successful completion of the A Share Offering, a resolution will be proposed at the 2016 AGM and the 2017 Second H Share Class Meeting to approve the extension of the validity period of the plan for the A Share Offering for another twelve months from the date of approval at 2016 AGM. Other information in the plan for the A Share Offering remains unchanged.

In the coming 12 months, the Bank will continue to supplement and update the A Share Offering application materials in accordance with the review progress and any requests made by the CSRC.

The above resolution is subject to consideration and approval at the 2016 AGM and the 2017 Second H Share Class Meeting by way of a special resolution, respectively.

Impact of the A Share Offering on the Shareholding Structure of the Bank

Pursuant to the proposed A Share Offering, 2,295,677,769 existing Domestic Shares of the Bank will be converted into A Shares upon the completion of the A Share Offering. Assuming that all the 1,000,000,000 A Shares under the A Share Offering are approved to be issued, and all are issued to non-core connected persons of the Bank and there are no changes to the share capital of the Bank prior to the completion of the A Share Offering, the shareholding structure of the Bank as at the date of this circular and immediately after the completion of the A Share Offering is set out as follows:

	As at the of this cir Number of shares		Immediately after of the A Shar Number of shares	-
Domestic Shares	2,295,677,769 ⁽⁵⁾	56.56%	_	_
A Shares (at maximum)	-	-	3,295,677,769 ⁽⁶⁾	65.15%
A Shares to be held by the				
public ⁽¹⁾	-	-	2,052,541,048	40.58%
A Shares to be converted from				
Domestic Shares into A				
Shares to be held by core				
connected persons ⁽²⁾	-	-	1,243,136,721	24.57%
H Shares	1,763,034,980	43.44%	1,763,034,980	34.85%
H Shares held by the public ⁽³⁾	1,040,728,000	25.64%	1,040,728,000	20.57%
H Shares held by core				
connected persons ⁽⁴⁾	722,306,980	17.80%	722,306,980	14.28%
Total	4,058,712,749	100%	5,058,712,749	100%

Notes:

- (1) Assuming all proposed 1,000,000,000 A Shares (at maximum) to be issued are issued to the non-core connected persons of the Bank and save for the 2,848,843 A Shares held by the Directors, Supervisors and president of the Bank, the 812,214,572 A Shares in which Haier Group Corporation, a substantial Shareholder of the Bank, is interested and the 428,073,306 A Shares held by Qingdao Conson Development (Group) Co., Ltd. through its wholly-owned subsidiary Qingdao Conson Industrial Co., Ltd. after the completion of the A Share Offering, all other A Shares are held by the public.
- (2) Upon completion of the A Share Offering, A Shares to be held by core connected persons refer to (i) the 812,214,572 A Shares in which Haier Group Corporation is interested; (ii) the 428,073,306 A Shares held by Qingdao Conson Development (Group) Co., Ltd. through its wholly-owned subsidiary Qingdao Conson Industrial Co., Ltd.; (iii) the 500,000 A Shares, 500,000 A Shares, 500,000 A Shares and 380,000 A Shares held by Directors Guo Shaoquan, Wang Lin, Yang Fengjiang and Lu Lan, respectively; and (iv) the 500,000 A Shares, 272,822 A Shares and 196,021 A Shares held by Supervisors Chen Qing, Sun Jigang and Xu Wansheng, respectively.
- (3) Save for the 622,306,980 H Shares held by Intesa Sanpaolo S.p.A., a substantial Shareholder of the Bank, and the 100,000,000 H Shares held by Qingdao Conson Development (Group) Co., Ltd., a core connected person of the Bank, through its indirect wholly-owned subsidiary Haitian (HK) Financial Development Limited as at the date of this circular, all other H Shares are held by the public based on publicly available information and to the best knowledge of the Directors.
- (4) H Shares held by core connected persons refer to Intesa Sanpaolo S.p.A., a substantial Shareholder of the Bank, the 622,306,980 H Shares held by and the 100,000,000 H Shares held by Qingdao Conson Development (Group) Co., Ltd., a core connected person of the Bank, through its indirect wholly-owned subsidiary Haitian (HK) Financial Development Limited.
- (5) All 2,295,677,769 existing Domestic Shares of the Bank will be converted into A Shares upon the completion of the A Share Offering.
- (6) After the completion of the A Share Offering, the Bank will have a total of 3,295,677,769 A Shares, including 1,000,000,000 A Shares to be issued under the A Share Offering and 2,295,677,769 A Shares to be converted from existing Domestic Shares of the Bank.

As at the date of this circular, based on publicly available information and the knowledge of the Directors, the Bank has maintained a public float of over 25% which satisfies the requirements under Rule 8.08 of the Hong Kong Listing Rules. The public float of the H Shares of the Company prior to the completion of A Share Offering is 25.64%. Assuming that all the 1,000,000,000 A Shares under the A Share Offering are approved to be issued, and all are issued to non-core connected persons of the Bank, it is expected that the maximum number of A Shares held by the public will be 40.58% and the minimum number of H Shares held by the public will be 20.57%. Following the completion of A Share Offering, the maximum number of the Shares of the Company held by the public (both A Shares and H Shares in aggregate) will be 61.15% of the total number of the issued Shares of the Company.

(ii) Proposed Extension of the Validity Period of the Authorisations to the Board to Deal with Specific Matters in respect of the A Share Offering

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

The above resolution is subject to consideration and approval at the 2016 AGM and the 2017 Second H Share Class Meeting by way of a special resolution, respectively.

(iii) Proposed Amendments to the Three-year Dividend Plan after the A Share Offering

The Three-year Dividend Plan after the A Share Offering was approved at the general meeting and the class meeting convened on 14 October 2016. Given that the Offshore Preference Share Offering will impact the order of profit distribution in the Three-year Dividend Plan and other terms as a result of the proposed Offshore Preference Share Offering, the relevant content of the Dividend Plan shall be amended. A resolution will be proposed at the general meeting and the class meeting to approve the amendment to the Three-year Dividend Plan after the A Share Offering on the date of completion of the first trance of the Offshore Preference Share Offering, and to authorize the Board with its discretion to delegate to make further adjustments to the Three-year Dividend Plan after the A Share Offering, in accordance with any changes in laws, regulations and other regulatory documents or based on the advice of the regulatory authorities in or out of China.

The above resolution is subject to consideration and approval at the 2016 AGM by way of an ordinary resolution and at the 2017 Second H Share Class Meeting by way of a special resolution, respectively.

Please refer to Appendix X of this circular for a comparison chart of the amendments to the Three-year Dividend Plan after the A Share Offering.

III. OTHERS

In addition, Shareholders will listen to the Evaluation Report of Bank of Qingdao Co., Ltd. on the Performance of Duties by the Board and Directors for 2016 and the Evaluation Report of Bank of Qingdao Co., Ltd. on the Performance of Duties by Supervisors for 2016 at the 2016 AGM.

IV. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Bank. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

V. THE 2016 AGM AND THE CLASS MEETINGS

The Bank intends to convene the 2016 AGM and the Class Meetings at Conference Hall, 4th Floor, No. 68 Hong Kong Middle Road, Shinan District, Qingdao, Shandong Province, the PRC, at 9:00 a.m. on Thursday, 11 May 2017 to consider and, if thought fit, to pass matters as set out in the notice of the 2016 AGM and the Class Meetings. A notice, a form of proxy and a reply slip of the 2016 AGM and the Class Meetings have been despatched to the Shareholders in accordance with the Hong Kong Listing Rules on 27 March 2017 and are enclosed herein. The notice of the 2016 AGM and the Class Meetings is set out on pages 117 to 124 of this circular.

If you intend to attend the 2016 AGM and the Class Meetings, you are required to complete and return the enclosed reply slip to the H Share registrar of the Bank on or before Friday, 21 April 2017.

Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the 2016 AGM and the Class Meetings 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.

Closure of Register of Members and Eligibility to Attend and Vote at the 2016 AGM and the Class Meetings

The share register of members of the Bank will be closed from Tuesday, 11 April 2017 to Thursday, 11 May 2017 (both days inclusive), during which period no share transfer will be registered. In order to be eligible to attend and vote at the 2016 AGM and the Class Meetings, 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 Monday, 10 April 2017. Shareholders whose name appears in the register of members of the Bank at the close of business on Tuesday, 11 April 2017, will be eligible to attend and vote at the 2016 AGM and the Class Meetings.

VI. METHODS OF VOTING AT THE 2016 AGM AND CLASS MEETINGS

Pursuant to the requirements of Rule 13.39(4) of the Hong Kong Listing Rules, voting by the Shareholders at the 2016 AGM and the Class Meetings shall be taken by the 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 or the Class Meetings, and therefore no Shareholder is required to abstain from voting on any resolutions.

Please be advised that pursuant to the Article 60 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 as well as the Director(s) nominated by such Shareholder at the 2016 AGM and Class Meetings shall be subject to restrictions.

VII. RECOMMENDATIONS

The Board (including the independent non-executive Directors) considers that the resolutions to be proposed at the 2016 AGM and the Class Meetings are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all resolutions to be proposed at the 2016 AGM and the Class Meetings.

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

Shandong, the PRC, 13 April 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.

The below was first prepared in Chinese, with no official English translation. The English translation is provided solely for reference. In case of any discrepancy between the two versions, the Chinese version shall prevail.

WORK REPORT OF THE BOARD OF DIRECTORS OF BANK OF QINGDAO CO., LTD. FOR 2016

In 2016 when economy shrank and the interest rate liberalized, the banking industry faced continued pressure in business operation, asset quality and profit growth under the policy of "address overcapacity, reduce inventory, deleverage, lower costs, and bolster areas of weakness". Considering the situation, the Board of the Bank of Qingdao (our bank, or the bank, or we for short) has made scientific decisions to push through operational transformation and reform and innovation, comprehensively normalize corporate governance, intensify risk prevention and control and internal control, and stimulate the initiative and creative power of the employees at all levels. With all this, we have on the whole maintained steady and healthy development, realized sustained growth in management efficiency and Shareholder value, and gained good operating performance.

By the end of 2016, the Bank's total assets amounted to RMB277.988 billion, up by 48.47% compared with last year; total deposits balance reached RMB141.605 billion, a 22.79% rise year on year; outstanding loans was RMB87.168 billion, 19.91% higher than the same period of last year; the accumulated net profit throughout the year registered RMB2.089 billion, up by 15.15% compared to the previous year; the return on total assets was 0.90% and the return on average equity (ROAE) was 12.20%. All of the indicators under regulation met the regulatory requirements: the non-performing loan ratio (NPLR) was 1.36%, the allowance coverage ratio 194.01%, and allowance to gross loan ratio 2.64%. We have received the "Five-Star Diamond Award"-the blue ribbon for international services issued by the World Brand Lab, ranked 353rd among the world's top 500 banks selected by The Banker, a UK magazine, 5th among the urban commercial banks in the "spinning top evaluation system" by the China Banking Association, and won the "Golden Dragon Award" for the six consecutive years, and was granted the year's "top 10 urban commercial banks" and "top 10 small and medium-sized banks for financial services". Now, the Board presents the main work done in 2016:

I. SUMMARY OF THE MAJOR WORK OF THE BOARD IN 2016:

In 2016, the Board convened 12 meetings, 5 of which were on-site meetings and 7 of which were held by way of correspondence, involving resolutions on 55 major issues such as periodic reports of 2015, Directors' work report, Work Report of President, financial budget and final account reports, profit distribution plan, and system amendment. At the meetings, 47 special reports were received or reviewed, including various risk management reports, internal and external audit reports, external auditors' recommendation letter to management and rectification report.

(i) Steady promotion of operating transformation and innovative development and sustainable exertion of the strategic leading role

Guidance on the formulation of strategic planning. In 2016, 2013-2015 Strategic Plan of the Bank of Qingdao was completed. At the critical stage of serving as a link between the past and future, the Board needed to make clear and rational strategic planning for the market, the investors and its own appeal based on the overall situation. To this end, the Board discussed the Preliminary Framework of 2016-2020 Strategic Plan of the Bank of Qingdao and verified repeatedly national and international economic and financial environment and the trend of horizontal competition, analyzed in depth the current and future opportunities and challenges, and according to its own comparative advantages, put forward constructive opinions and suggestions for the formulation of strategic planning.

Implementation of operating transformation. The Board steadily facilitated our operating transformation and innovation-driven development in line with macro economies and capital market preference. In retail banking, the strategy of "interface banking" was accelerated and 6 interface platforms were constructed like traffic, healthcare, cloud payment, industrial parks, and internet financing platforms. In corporate banking, businesses were promoted through product innovation. We built on the basis of high quality and effective credit assets as the core of business expansion, and regarded PPP projects and urban development fund business as breakthrough point. In the financial market, the interface platform for assets management was applied for proactive strategic layout of various investment businesses and the enhancement of capital usage efficiency. Qingyin Financial Leasing Co., Ltd. was approved and registered, representing an important step in comprehensive operation. In risk control, we focused on the development of "Fintech" and "green finance" to optimize credit orientation and explore a multi-side risk and profit sharing mechanism. In information technology, the new customer service system was implemented online to provide strong scientific and technological support for business transformation and development and continue the transformation to the ecosphere of Internet financial services.

(ii) Achieving capital replenishment and reinforcement of capital restriction and consolidation of the capital foundation of operation and development

In 2016, the Board conscientiously fulfilled its capital management duty and positively explored capital replenishment and optimized capital structure, periodically monitored capital management state, further intensified economic capital restriction, and continued to improve the capability in shielding against risk.

Improvement of the capital replenishment mechanism. The Board energetically advocated the idea of capital-intensive management, continually improved the capital management system, supervised and urged the senior management to perform delicacy management under capital restriction, and raise capital usage efficiency. The Board deliberated and passed the 2016-2020 Capital Management Planning of the Bank of Qingdao, ensured that the capital replenishment mechanism was scientific and rational, and constantly optimized the capital structure, and facilitated the capital level to meet business development and risk profile.

Completion of the application for A-share listing. To set up a long-term and steady capital replenishment channel, the Board efficiently advanced the application for A-share listing. In accordance with relevant regulatory provisions, it deliberated and approved the capital replenishment proposals like IPO A-share and listing. On December 9th, the listing application was smoothly completed, signifying that we are getting nearer to the goal of making large market value.

Reinforcement of capital restriction mechanism. The Board, by taking the construction of a capital-saving bank as its goal, thoroughly implemented the philosophy of economic capital management, optimized economic capital distribution and appraisal mechanism, guided the bank to restrict the increase of risk assets with economic capital and establish a connotative development mode. It rationally determined the growth rate of asset size, and supervised and urged the bank to employ capital in a scientific and efficient manner to expand energetically capital-saving businesses and improve capital use effectiveness.

Monitoring the capital management conditions regularly. The Board received the 2015 Assessment Report of the Bank of Qingdao on Internal Capital Adequacy to learn about the indicators and results of stress tests regarding capital adequacy ratio, and assessed management of various risks related to our assets and the implementation of annual risk appetite and risk limits, etc.

(iii) Strengthening comprehensive risk management and heightening of the bank's risk defense capability

In 2016, the Board closely focused on the critical industries and fields, insisted to consider business expansion and risk prevention at the same time, and vigorously promoted the construction of comprehensive risk management system, and unceasingly elevated risk management capability, stabilized the Bank's asset quality, and maintained the non-performing loan ratio at a low level.

Formulation of overall risk management strategy. The Board made the 2016 Business Operation Risk Preference Plan of the Bank of Qingdao, cleared the basic principle of giving considerations to both management efficiency and asset quality, determined steady and healthy performance indexes for the Bank, set up risk limitations like prudential credit risk and liquidity risk, requested the Bank to fully evaluate the assorted risk costs in its business expansion, and supervised the implementation of risk policies.

Implementation of total risk management. In credit risk, the Board took the initiative to increase credit risk management predictability, strictly controlled the financing risk in the local government financing platform, real estate, and overcapacity industries, and enhanced the specialization level of non-performing loan clearance. In liquidity and market risks, it followed closely the market liquidity state, regularly listened to liquidity risk management reporting, strengthened the monitoring of liquidity risk amount, completed the liquidity pressure testing system, elaborated market risk management system, and beefed up the monitoring and dynamic administration of market risk-associated indexes. In operation and compliance risks, the Board

hunted down the risk of hidden dangers, effectively identified, evaluated, monitored and controlled, and slowly released operation risks, and largely improved the level of operation risk management based on the operation risk management system in alignment with the risk management requirements after listing.

Monitoring the risk management conditions regularly. The Board received or reviewed six management reports regarding internal capital adequacy, business continuity, anti-money laundering risk, reputational risk, and other risks annually. The Board received or reviewed seven management reports regarding the Bank's market risks, credit risks, compliance risks, operational risks, liquidity risks management and pressure test, information technology risks, and other risks semi-annually. With an accurate understanding of the effectiveness of our risk management measures through regular review of various risk management reports, the Board put forward requirements and recommendations on key risk management issues and regularly reviewed the implementation thereof.

(iv) Consolidation of internal control and audit supervision and observation of operation according to laws and regulations

In 2016, according to domestic and overseas monitoring regulations, the Board further improved the internal control rules and regulations system, kept strengthening the internal and external audit monitoring roles, and made the Bank operate steadily and healthily by law and regulation.

As to internal control, the Board exerted itself to improve the internal control compliance risk management system, continued to elevate the internal control management capability; according to monitoring laws and regulations, altered the Bank's anti-money laundering stipulations and the basic internal control system, and promoted the institutional system and its implementation effect; invited a professional audit institute to carry out special internal control assessment, and guided the Bank to make optimizations to internal control defects; focused on internal control self-evaluation work and audit comments, and dynamically integrated finding problems with performing corrective actions and improving management, and constantly upgraded internal control mechanism. In 2016, the bank did not find material weaknesses in internal control design or implementation.

For internal audit, the Board earnestly fulfilled its internal audit duty, objectively and effectively checked the Bank's operational activities and risk conditions, found problems in good time, and supervised correction and implementation; listened to internal and external audit work reports, guided the Bank to carry out special internal audit, and reviewed assorted special audit reports and correction reports at fixed periods of time; normalized internal audit system and work management structure, and set up sound audit management system for the Bank and its branches; unceasingly expanded the audit scope and intensified the audit effort through on-site and off-site audit.

(v) Strengthening self-management of the Board and continuous enhancement of the Board's operational efficiency

The Board further improved the discussion efficiency at meetings and decisions-making scientificity by scientifically planning and arranging meetings, beefing up the executive force of meeting plans, and optimizing its meeting organization process. All the Directors seriously fulfilled their duty, attended the meetings on time, fully discussed the proposals, voiced their own opinions, and entrusted another Director in writing to be present at the meeting and make comments on behalf of him/her if unable to be in attendance for some reason.

In 2016, the Board supplemented and changed Directors, upon which, the Board met the requirements of national and international supervision laws and regulations in respect to overall structure and tenure and scale of independent Directors; introduced non-executive Directors residing in Hong Kong for a long time with international view and familiar with the law of the capital market and executive Directors and independent Directors with many years' experience in financing services, making the component difference of Directors more diversified and laying a sound foundation for building an efficient and professional Board.

The executive Directors, as a bridge of communication between the Board and the management, carried out operations and management according to strategic plans and operating guidelines formulated by the Board, achieving desirably the operating targets set by the Board. With a view to our Bank's long-term interests, non-executive Directors ensured good communication between our Bank and substantial Shareholders, and guided our Bank to develop distinctive development strategies and advance business transformation and upgrading. Independent Directors safeguarded minority Shareholders' rights and interests and issued objective and fair and independent opinions on 6 significant events in 2016 including the deliberation of profit distribution to the Board, staff bonuses and senior management's performance bonuses, appointment of auditors and material related party transactions.

(vi) Improving the functioning of special committees to put into play their decision supporting role

According to job responsibilities and the work rules as well as laws and regulations, the Board's special committee held meetings, and brought forward niche-targeting opinions and suggestions for the Board, thus laying a foundation for efficient discussions and scientific decision-making of the Board.

In 2016, the special committee organized 23 meetings, including 2 Audit Committee meetings, 2 Remuneration Committee meetings, 4 Related Party Transaction Control Committee meetings, 5 Risk Management Committee meetings, 4 Strategy Committee meetings, 3 Information Technology Committee meetings, and 3 nomination committee meetings; deliberated 41 proposals; reviewed 30 reports; and listened to 18 special reports.

The Board continued to improve the operating mechanism of each special committee and promoted their resumption efficiency. First, according to the regulations at home and abroad, fully considered the experience and skills of each Director, rationally allocated the manning of each specialized committee, optimized the structure of the Board; second, pushed each specialized committee to formulate the 2016 work plan, organized meetings at fixed periods of time, continued to optimize the meeting topics and frequency standardization and conventional operating modes. For instance, the Risk Management Committee, the Information Technology Committee, and the Strategy Committee increased the frequency of physical meetings, enriched the deliberation topics, thus leaving the Directors enough time to discuss and analyze the important topics at the meeting; the Risk Management Committee added off-balance sheet risk, bill business, and case prevention and control among special reports. Risk management reports like credit risk, liquidity risk, and compliance risk were changed from communication review to on-the-spot deliberation, convenient for the Directors to grasp the risk management and control condition and make scientific decisions; the Strategy Committee strengthened the discussion on capital management topics, added the 2016-2020 Capital Management Planning of the Bank of Qingdao and A-share issuing and listing-related proposals, and intensified capital management and control.

(vii) Rigid enforcement of the resolutions of Shareholders' general meeting and safeguarding of the Shareholders' legitimate rights and interests

In 2016, the Board held a conventional Shareholders' general meeting and 2 extraordinary Shareholders' general meetings based on relevant laws and regulations and Articles of Association, deliberated and approved 24 proposals such as issue of non-capital financial bonds, 2015 work report by the Board and the Board of Supervisors, 2015 final account report and profit distribution plan, A-share IPO and listing, and revision of rules of procedures for Shareholders' General Meetings, the Board of Directors and the Board of Supervisors and the Articles of Association.

According to the resolutions of Shareholders' general meeting, the Board faithfully pushed the Bank to complete its 2015 profit distribution plan, further employment of accounting firms, and changes of Directors and Supervisors, proactively advanced the issue of green financial bonds and A-share listing application, put the resolutions made at the Shareholders' general meeting into practice, and safeguarded the shareholders' legal rights and interests. By rigidly performing the resolutions of Shareholders' general meeting, the Board earnestly and efficiently fulfilled its duty as required in the Articles of Association, and protected the legitimate rights and interests of all the Shareholders.

(viii) Highlight of information disclosure and investor relationship management and continuous enhancement of market image and brand value

In 2016, the Board paid high attention to information disclosure and investor relationship management, and by energetically performing its social responsibilities, constantly upgraded the Bank's market image and brand value.

Continuous enhancement of information disclosure mechanism. The Board closely followed the principle of sincerity, accuracy, completeness, promptness, and fairness, released 16 periodic reports and 26 statutory provisional announcements according to law, constantly enhanced the pertinence, effectiveness and transparency of information disclosure, and truly guaranteed the investors' right to know; positively explored voluntary information disclosure, introduced 5 voluntary provisional announcements involving green financial bonds and approval of financial derivatives certification and lead manager qualification for bonds; formulated detailed rules for provisional announcement disclosure and management, and normalized it from basic principles, disclosure contents and deadline, announcement making, and review procedure.

Highlight of investor relationship management. The Board energetically unfolded investor relationship management, deepened effective communication with investors, and guided them to recognize correctly the Bank's investment value as per domestic and foreign laws and regulations and regulatory requirements. To be more specific, first, set out administrative measures for investor relationship and promoted the standardization and institutionalization of investor relationship management through system construction; second, fully used performance presentation and analyst exchange meetings and other channels to communicate in time with the media and analysts at home and abroad, and looked into the capital market preference; in 2016, two performance roadshows and investors' exchange meetings were held in Hong Kong, where more than 30 international investors participated in one-to-one communication and over 200 issues of the investors' particular concerns were summarized; third, in daily work, the questions raised by the investors and analysts regarding the Bank's operating conditions and business expansion were answered by phone, fax and email; fourth, at the time of establishing the standardized management system for market value, the Board had good interactions with the supervision department, industry association, stock exchanges, etc.

Continuous enhancement of market image and brand value. In 2016, the Board took the 20th anniversary of its establishment as the turning point to better perform its social responsibilities, make earnest efforts to promote public good, and enthusiastically give back to society. Through public benefit activities like setting up the Dream and Love Fund of Bank of Qingdao (青銀夢想愛心基金), it propagated the Bank's outstanding corporate culture, displayed its good public image, and helped the Bank constantly improve its social recognition and brand reputation.

II. WORK PRIORITIES OF THE BOARD FOR 2017

In 2017 when macro economy becomes increasingly complicated, it may see slowdown in economic growth and systematic risk increase at the same time. The Board will deepen its management, quicken the pace of transformation, and largely foster new kinetic energy under the guidance of "going with the flow, intensifying management, controlling risks, and steadfastly working to achieve the great goal". The work below will be stressed in 2017:

(i) Establishment of scientific development strategies to highlight distinctive competitive advantage

In 2017, by studying in-depth and clearly seeing into the economic trend and operating environment change, the Board will scientifically make the five-year development strategy for the bank, remodel the strategic vision and core value of the next stage of development, quantify and break down and implement strategic objectives, and guide the bank to realize another leapfrog development. The bank will, based on capital market, put the interface banking, green financing, port financing, and other featured services into practice, enhance service level and product quality, and intensify modern management capability in risk, operation, finance, and strategy implementation; take large retail and large capital management services as the profit growth engine of the next stage, and implant the Internet thinking and technology into the bank's gene while promoting "characteristics, quality and modernization".

(ii) Upgrading of capital tools and optimization of capital management thought and mode

In 2017, the Board will guide the bank to make the most of the funds raised to complete the medium and long-term capital management system, ensuring the scientificness, systematicness and perspectiveness of capital management; aim to increase capital return and strengthen capital restriction from internal capital saving; reinforce capital delicacy management and optimize capital management information system based on actual business conditions and demands; improve capital allocation and assessment and promote capital management level; in terms of external capital replenishment, strive to complete the issue of overseas preference shares and second-level capital bonds to guarantee the needs of scale growth and business development; pay close attention to domestic and overseas capital markets, and proactively update capital tools and widen financing channels, ensuring the capital adequacy ratio maintains at a rational level.

(iii) Heightening of market value management and information disclosure and demonstration of investment value to the capital market

In 2017, according to macro economy, the developing state of the industry, and the capital market trend, the board will neatly use capital operation means and market value management tools to manage the market value effectively so as to increase the market value in a progressive and steady manner, and guide the investors to have rational understanding of the bank's investment value; further optimize the disclosure contents and manifestation forms of periodic reports and voluntary announcements, and use more pointed data to stress the achievements we made in strategic transformation; guide the market to see through the data to the nature regarding the widespread worry for asset quality, and focus on the Bank's future operating structure and business transformation.

(iv) Implementation of comprehensive risk management and maintenance of steady development quality

In 2017, the Board, by reinforcing comprehensive risk management, will deeply understand new economic normal and the risk change law and features in market reform, always improve comprehensive risk management system, and grasp and implement risk responsibility system; as for the interweaving of credit risk, market risk and operation risk, the Board will overcome the weaknesses in risk management system and risk management capability and technology, enlarge the coverage of comprehensive risk management; for the challenges faced in risk management and capital management brought about by the fast growing asset management businesses, go deep to find and grasp the risk law in the expansion of new businesses and new customers, further improve systems and system support; unceasingly increase perceptiveness and effectiveness of risk management and control, pinpoint the assets with hidden dangers, and neutralize defective assets, ceaselessly emphasize risk identification, mitigation, and compensation abilities.

(v) Constant strengthening of the Board's capacity building and promotion of steady, healthy and effective corporate governing system

In 2017, the Board will continue to optimize a variety of operating mechanisms, form a norm-and market-based operation pattern, and build a corporate governing system that is more market-oriented, more special, and more transparent; optimize the operation of the Board and special committees, fully exert the latter's professional guiding role, and elevate the former's decision-making level under the new development situation; organize Directors to carry out professional training, subject research, and inter-bank exchanges, improve their understanding of the bank's business condition and environment, and enhance their capacity of carrying out the functions; assist the Directors in increasing time for resumption, provide favorable conditions for them to do so, and lay a solid foundation for scientific decision-making; heighten the construction of assessment mechanism after decision-making, implementation, supervision, and feedback", and promote transformational development and value enhancement.

APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS FOR 2016

In 2017, with the risk exposure of macro economy continuing to enlarge, the market environment growing more complicated, and the pressure of competition increasing with each passing day, the Board will scientifically analyze domestic and international economic situation, fully perform its functions, and comprehensively improve its strategic decisionmaking capacity and corporate governing level; push featured businesses to develop rapidly, keep showing the investors clearly defined and particular strategies and paths for development, and realize steady growth of the market value by effective docking with the capital market; maintain strategic anchoring force, quicken operational transformation, seek market-oriented innovation and change, produce benefit from risk management, and strive to repay the Shareholders and all sectors of society with better performance for their support.

Please review.

The below was first prepared in Chinese, with no official English translation. The English translation is provided solely for reference. In case of any discrepancy between the two versions, the Chinese version shall prevail.

WORK REPORT OF THE BOARD OF SUPERVISORS OF BANK OF QINGDAO CO., LTD. FOR 2016

In 2016, the Board of Supervisors of the Bank operated independently and normatively and fulfilled its supervisory responsibility, and conducted supervision on performance, financial position, internal control and risk management in an in-depth manner, and gave independent opinions according to law in line with key emphasis in work and annual work plan of the Board of Supervisors and for the purpose of safeguarding the legitimate rights and interests of the Bank, its Shareholders and other stakeholders in accordance with the requirements of laws, regulations and the Articles of Association, which has played an important role in achieving transformation, upgrading and sound development of the Bank. The major work is reported as follows:

I. SUMMARY OF THE MAJOR WORK IN 2016

(I) Operating and performing supervision duties in an independent, regulated and compliant manner

Firstly, meetings of the Board of Supervisors and its special committees were convened according to laws and regulatory requirements so as to perform issue discussion and supervision duties. During the year, the Board of Supervisors convened a total of 8 meetings, including 4 on-site meetings and 4 meetings voted via written communications, at which 18 proposals were considered and 32 reports were received; and the special committees of the Board of Supervisors convened a total of 7 meetings, including 4 meetings convened by the Supervision Committee and 3 meeting convened by the Nomination and Evaluation Committee, at which 24 proposals were considered and 40 reports were received. By performing its responsibilities seriously, the Board of Supervisors conducted supervision on various matters including the performance of responsibilities of Board of Directors and senior management, financial condition, risk management and internal control.

Secondly, the Board of Supervisors carried out special investigation and research activities to develop a better understanding of the Bank's risk management and to make corresponding recommendations. To strengthen special investigation and research mechanism, the Board of Supervisors investigated and studied the business in financial market according to annual work plan, to better understand the development of the business in financial market and relevant risk prevention and control measures. The research was conducted mainly by receiving special report and symposium. The Board of Supervisors received the report of Financial Market Business Department about financial market business, had thorough communication with the reporter and made recommendations in various respects including attention to policy risks and credit risks of structural financing business, bond business risks, improvement of system construction and personnel allocation, timely formulation or revision of relevant systems, etc.

Thirdly, the chief Supervisor of the Board of Supervisors visited Dongying Branch, Binzhou Branch, Weihai Branch and other branches for investigation and research, and made field trips to investigate the operation and management of the branches and the implementation of the policy introduced by the head office, in an effort to develop a better understanding of the actual working situation of the front office of the Bank's branches and to receive comments and suggestions on management proposed by the branches to the head office. In addition, the chief Supervisor has made recommendations on management of outlets outside of Qingdao.

Fourthly, the Board of Supervisors prepared and issued supervisory recommendation letters to put forward its recommendations made during the process of supervision conducted by Supervisors to the senior management for reference. During the year, the Board of Supervisors prepared and issued a total of 4 supervisory recommendation letters and whereby the Supervisors' recommendations on various matters, including strategic development, financial management, risk prevention and control, talent cultivation and other related aspects, were submitted to the management for reference.

Fifthly, the Board of Supervisors designated its members to attend the Shareholders' general meeting and to be in attendance at the Board meetings and meetings convened by the senior management, aiming at enhancing supervision efficiency. In this year, the Supervisors attended 1 annual general meeting of Shareholders, 2 extraordinary general meetings of Shareholders and 4 physical Board meetings, and reviewed documents considered at 7 Board meetings voted via written communications, and supervised the decision-making process and decision-making procedure of the Shareholders' general meeting and Board meetings as well as implementation of resolutions of the Shareholders' general meeting by the Board of Directors. Moreover, the Board of Supervisors attended president office meeting, business analysis meeting, internal control review meeting, Risk Management Committee meeting and other related meetings of senior management to conduct process supervision on senior management's performance of responsibilities and implementation of resolutions of the Board of Directors and to give opinions and recommendations on various matters, especially on financial management, internal control and risk management.

(II) Deepening supervision on the Bank's priorities

In 2016, the Board of Supervisors supervised performance of responsibilities, financial condition, internal control and risk management, improved pertinence and effectiveness of supervision and played a positive role in sustainable stable operation of the Bank with focus on key work of the Bank as per *Guidelines on the Functioning of Supervisory Board of Commercial Banks* (《商業銀行監事會工作指引》) and other supervision laws and regulations.

1. Strengthening supervision on performance of responsibilities and promoting perfection of corporate governance

Firstly, the Board of Supervisors, the Board of Directors and senior management were organized to conduct a self-assessment on performance of responsibilities in 2016. 18 self-assessment reports were received in total, and comprehensive analysis and assessment was made to provide reference for performance assessment.

Secondly, external audit institution was employed to conduct external assessment on annual performance of the Board of Directors and the Board of Supervisors maintained with the external audit institution for process and content of performance assessment to improve pertinence and effectiveness of external assessment continually.

Thirdly, based on strengthened daily supervision as well as the self-assessment reports of the Directors, Supervisors and senior management and the external assessment reports, the Board of Supervisors completed its assessment on performance of responsibilities of the Board of Directors and its members, the senior management and its members and the Supervisors in 2015 by participating in meetings, reviewing the documents and hearing reports. Based on the above, the performance assessment report was subsequently prepared. In addition, the Board of Supervisors promptly reported the performance assessment results to the Board of Directors, the Board of Supervisors and the senior management as well as the regulatory authorities, and briefed the same at the Shareholders' general meeting.

Fourthly, the Board of Supervisors conducted supervision and evaluation on the strategic planning implementation condition of the Board of Directors and the senior management. In response to the changes in the external economic environment and the operating conditions of the Bank, the Board of Supervisors assessed the implementation of strategic plans based on the completion progress of operational results and the implementation particulars of relevant strategic measures, and then put forward some suggestions for preparing clean and reasonable strategic plan, enhancing the guiding force of planning strategy, establishing flexible strategy adjustment mechanism, and balancing the relationship between business operation and non-business operation strategies.

2. Enhancement supervision on financial position, and ensuring truth and accuracy of disclosed information

Firstly, the Board of Supervisors supervised the procedures for preparing and auditing the annual report for 2015 as well as the decision-making process of the profit distribution plan. The Board of Supervisors was of the view that the procedures for preparing and auditing the annual report were in compliance with laws, regulations and regulatory requirements, and the contents thereof give a true, accurate and complete view of the actual conditions of the Bank. As such, the Board of Supervisors had no disagreement upon the profit distribution plan.

Secondly, the Board of Supervisors reviewed the reports on financial budget and final account in a regular manner to get to know the implementation particulars of the financial budget and final accounts, and recommended to promote transformation of business mode, pay close attention to the latest supervision policy and enhance the risk management.

Thirdly, the Board of Supervisors reviewed the *Newsletters for Directors and Supervisors* (《董監事通訊》) on a monthly basis to keep abreast of the changes in the Bank's financial indicators such as loans and deposits, net profit, assets quality and provision particulars, so as to track the financial operation condition and effectively monitor the financial operations of the Bank.

Fourthly, the Board of Supervisors supervised and conducted real-time tracking of the rectification of major problem completed by the management based on the reports submitted by internal audit department and external audit institution.

3. Strengthening supervision on internal control and risk management, and realizing stable and healthy operation

Firstly, the Board of Supervisors increased the frequency of supervision on main risk management by reviewing reports on management of main risks semi-annually so as to keep abreast of the management of the main risks associated with the Bank. In addition, the Board of Supervisors recommended to pay attention to the risk of loans to small enterprises, and to study approaches adopted to dispose non-performing assets.

Secondly, the Board of Supervisors continuously attached importance to the completeness and effectiveness of the internal control system. The Board of Supervisors considered the internal control self-assessment report, reviewed the external auditor's management letter, and continuously kept track of the implementation of the rectification measures regarding internal control issues. With respect to the internal management of outlets outside of Qingdao, the Board of Supervisors suggested the head office to formulate differentiated internal management procedures according to the specific circumstances according to the economic situation and development features of different regions.

Thirdly, the opinions and recommendations put forward by the regulatory authorities and internal audit institution were emphasized. The regulatory report and rectification report for 2015 issued by Qingdao CBRC were reviewed and special audit reports and rectification reports were issued by internal audit institution to acknowledge the assessment results of internal and external organizations on the risk management and internal control of the Bank. Main problems found in supervision and audit and the rectification, and the establishment of accountability mechanism were paid with attention.

(III) Strengthening the building of the Board of Supervisors and continuously improving the operation efficiency of the Board of Supervisors

Firstly, the election and change of chief Supervisor and Shareholder Supervisor were finished smoothly. According to laws and regulations and supervision regulations, the Board of Supervisors strengthened the qualification examination of chief Supervisor and Shareholder Supervisor candidates, had deep communication with all related parties, conducted personnel election and change in strict accordance with supervision requirement and governance procedures of the Company and ensured the continuity and stable transition of the operation of the Board of Supervisors.

Secondly, the rules of procedure of the Board of Supervisors were modified. In view that the Bank plans to have the initial public offering of A shares and plans to be listed in domestic stock exchange, to meet relevant supervision requirements, current rules of procedure of the Board of Supervisors were modified according to *Guideline for Articles of Association of a Listed Company* (《上市公司章程指引》) and other laws, regulation and normative documents to make the Company have a more complete governance system.

Thirdly, the function of special committee under the Board of Supervisors was fully played. As an important professional support to Board of Supervisors, the special committee under the Board of Supervisors had deep discussion on the proposals and reports and put forward professional opinions and recommendations, formed resolutions with legal force of the Board of Supervisors after the proposals and reports were submitted to the Board of Supervisors according to legal procedures to ensure the function playing of the Board of Supervisors.

Fourthly, Supervisors were diligent and fulfilled their supervision duties carefully. Supervisors attended the meeting of the Board of Supervisors and meeting of the special committee according to laws, deliberated the proposals and reports carefully and gave their professional opinions in an independently and objective way. They attended the research activities organized by the Board of Supervisors actively to have deep understanding of the risk management condition of the Bank and gave their suggestions. Besides, they attended the meeting of the Board of Directors and meetings of the senior management, mastered the operation management condition of the Bank timely and laid a foundation for the performing of their duties. In 2016, the attendance rate of the meeting of the Board of Supervisors was 97.9% and the absence rate was 0.

II. INDEPENDENT OPINIONS ON OPERATING DECISIONS

(I) Compliance operation

The business activities conducted by the Bank in 2016 were in compliance with the requirements of the *Company Law*, the *Commercial Bank Law* and the Articles of Association, and decision-making procedures were legal and valid. Neither violation of laws, regulations or the Articles of Association nor harm to the interests of the Bank or Shareholders during performance of duties by the Directors or senior management of the Bank was identified.

(II) Preparation of annual reports

The preparation and audit processes of annual reports of the Bank for 2016 were in compliance with the laws, regulations and regulatory provisions and the report contents truthfully, accurately and completely reflected the actual condition of the Bank.

(III) Truthfulness of the financial report

KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合夥)) audited the annual financial reports of the Bank for 2016 prepared in accordance with the Chinese accounting standards and issued a standard audit report with clean opinion. The Board of Supervisors deems that the financial reports have truthfully, objectively and accurately reflected the financial condition and business performance of the Bank and no false records and important omission were found.

(IV) Related party transactions

For related party transactions of the Bank taking place in the year of 2016, the Board of Supervisors found no behaviors against the fairness principles or damaging the interests of the Bank and shareholders.

(V) Implementation of resolutions of the Shareholders' general meeting

The Board of Supervisors posed no objection against various reports and proposals submitted bills proposed by the Board of Directors to the Shareholders' general meeting for consideration in 2016, and supervised the implementation of resolutions made at the Shareholders' general meeting and it deems that the Board of Directors will faithfully implement relevant resolutions made at the Shareholders' general meetings.

(VI) Internal control

The Board of Supervisors reviewed the Internal Control Self-assessment Report of Bank of Qingdao Co., Ltd. for 2016 and posed no objection against the contents.

III. WORK PLAN FOR 2017

In 2017, the Board of Supervisors will continue to implement the requirements of *Guidelines on Corporate Governance of Commercial Banks* and *Guidelines on Work of Board of Supervisors of Commercial Banks*, enhance the supervision for duty-performing in accordance with the duties granted by the Articles of Association of the Bank with improvement of corporate value and protection of Shareholder's interests as objectives, and positively innovate supervision ways and duty-performing methods to further enhance the supervision independence and effectiveness of the Board of Supervisors.

(I) To improve operational mechanisms and enhance supervision level

1. In accordance with the requirements of the Articles of Association and based on its work needs, the Board of Supervisors will convene at least one meeting of the Board of Supervisors each quarter, review financial reports, President's work report, internal control reports and risk management reports on a regular basis, enhance the supervision for law compliance of meeting bills and decision-making process and

propose supervision opinions and suggestions at proper time. The Board of Supervisors will also convene meetings for its special committees in due course to give play to their professional supporting role, so as to constantly improve the efficiency of the Board of Supervisors in discussing about issues.

- 2. To strengthen exchanges with its peers and regulatory authorities. While extensively collecting the supervision methods and duty-performing means adopted by the Board of Supervisors of its peers, the Board of Supervisors will carry out exchanges with the board of supervisors of its peers in due course to draw upon their good practices, thereby improving the effectiveness of duty performance of the Board of Supervisors and giving full play to its supervision role. At the same time, the Board of Supervisors will diligently study the regulations and reports issued by the regulatory authorities and strengthen its communication with the regulatory authorities for more guidance and support.
- 3. To provide trainings for the Supervisors so as to improve their performance. The Board of Supervisors will timely organize its members to attend various training programs launched by the regulatory authorities, intermediary agencies and the Bank based on work arrangement to keep abreast of the latest developments of domestic and foreign regulatory environment; and positively acquire and systemize information and data related to corporate governance and duty performance to provide supports and services for duty performance, so as to improve the performance level of the Supervisors.

(II) To explore effective ways to perform duties and effectively improve supervision effectiveness

- 1. To explore new forms for the Board of Supervisors to perform duties. In addition to the existing forms including attending meetings, receiving reports and conducting investigation and research, the Board of Supervisors will explore to perform duties in new forms such as holding forums and carrying out special inspections to improve the supervision and inspection means of the Board of Supervisors; enhance the communication with regulatory authorities to know the opinions of regulatory authorities on duty performance of Directors, Supervisors and senior management in a timely manner; strengthen the communication with external audit institutions, elaborate the duty-performing assessment process and pay attention to the supervision in the process of duty performance to improve the effectiveness of duty-performing assessment.
- 2. To highlight supervision focus. As the first planning of the Bank upon listing, *Strategic Planning of Bank of Qingdao Co., Ltd. for 2016-2020* will be made in a scientific manner on the basis of overall consideration and in combination with the development demand of the market, investors and the Bank. The Board of Supervisors will focus on monitoring the formulation and implementation of new strategic plans of the Board of Directors and give full play to its role in strategic decision-making supervision.

3. To focus on key issues to carry out investigation and research. The Board of Supervisors will select one or two topics according to the development and changes of domestic and overseas economic and financial situation and development trend of financial industry, and carry out special investigation and research to provide supports for its effective duty performance and recommendations for the strategy transformation and business development of the Bank.

Please review.

The below was first prepared in Chinese, with no official English translation. The English translation is provided solely for reference. In case of any discrepancy between the two versions, the Chinese version shall prevail.

SPECIAL REPORT ON RELATED PARTY TRANSACTIONS OF BANK OF QINGDAO CO., LTD. FOR 2016

In 2016, the Bank followed the requirements of laws and regulations including the Administrative Measures for the Related Party Transactions between Commercial Banks and their Insiders and Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》) promulgated by CBRC to conduct management on related party transactions and to perform the approval and disclosure procedures for related party transactions in compliance with the laws. All indicators of related party transactions of the Bank for 2016 are reported below:

I. SUMMARY OF MAJOR WORKS OF THE RELATED PARTY TRANSACTIONS CONTROL COMMITTEE UNDER THE BOARD OF DIRECTORS

In 2016, the number of members in the Related Party Transactions Control Committee under the Board of Directors of the Bank was increased from 5 to 7 and the post of chairman was held by an independent Director. The proportion of independent Directors set in the committee was more than half.

In 2016, the Related Party Transactions Control Committee under the Board of Directors of the Bank held 4 meetings in total and reviewed and approved 5 resolutions, including the resolution on confirmation of the *List of Related Parties of Bank of Qingdao* (as of January 14th, 2016), the resolution on the working plan of the Related Party Transactions Control Committee under the Sixth Board of Directors of the Bank of Qingdao for 2016, the resolution on confirmation of the *List of Related Parties of Bank of Qingdao* (as of April 19th, 2016), the resolution on the related party transaction between the Bank of Qingdao and Qingdao Haier Properties Group Limited (海爾地產集團有限公司) and the resolution on confirmation of the *List of Qingdao* (as of December 7th, 2016).

II. CONTROL ON RELATED PARTY TRANSACTIONS

In 2016, the Bank strictly adhered to the supervision requirements, continued to regulate the control of related party transactions, improved the scope of related parties in specifications of CBRC and continuously updated and confirmed the list of related parties.

1. Improve the scope of related parties in specifications of CBRC

According to regulatory opinions, the Bank expanded the scope of the related parties in specifications of CBRC and increased personnel who have rights to decide and participate in the credit business of the Bank and vice presidents of branches to declare the related parties. This declaration involved 969 employees, 5,787 related natural persons submitted and 36

related legal persons or other organizations submitted. At the same time, the Bank, in accordance with the regulatory opinions, revised relevant internal management systems of the related parties to implement in future management of the related parties and continuously meet compliance requirements.

2. Realize the continuous update and confirmation of the list of related parties

In 2016, the Bank continued to issue letters to substantial Shareholders, and upon its effective communication and the confirmation by response letters, realized the centralized enquiry, modification and confirmation of the list of related parties of substantial Shareholders in the specifications of CBRC and Stock Exchange. Meanwhile, according to the increase of Directors and changes in Supervisors, the Company suggested the Directors and the Supervisors declaring the related parties respectively according to the specifications of CBRC and Stock Exchange to continuously update and confirm the list of related parties. Through confirmation by the Related Party Transactions Control Committee under the Board of Directors of the Bank, as of the end of 2016, 48 related legal persons or other organizations in specifications of the CBRC and 6,745 related natural persons had been increased year on year; 111 related legal persons had been increased year on year.

3. Continuously regulate the control of related party transactions to ensure their compliance with laws

(1) In 2016, the Bank has one major related party transaction reviewed and approved by the Board of Directors – a credit granted to Qingdao Haier Properties Group Limited. The approval procedure met requirements of laws and regulations. The independent Directors of the Bank agreed on the major related party transactions described above and recognized their compliance and fairness.

In general, the Bank's related party transactions shall be reviewed and approved according to the internal authorization procedure and shall be reported to the Related Party Transactions Control Committee under the Board of Directors for filing every year.

(2) In 2016, the Bank conducted related party transactions with the related parties in strict accordance with the business principles, carried out examination and approval according to the conditions no better than those for similar transactions with non-related parties, and didn't issue unsecured loans to the related parties or consider the Bank's equity as a pledge to provide credit extension for the related parties or provide guarantee for the financing of the related parties.

(3) The Bank fulfilled the obligation of information disclosure related to related party transactions in strict accordance with the Administrative Measures for the Related Party Transactions between Commercial Banks and their Insiders and Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》) promulgated by CBRC, Hong Kong Listing Rules and the control measures on related party transactions and the Articles of Association of the Bank. In the 2015 annual report and the 2016 interim report, the Bank disclosed its major related party transactions timely, accurately and completely. In addition, the Bank also reported to the Qingdao CBRC on the related party transaction details quarterly.

III. STATISTICS AND ANALYSIS OF RELATED PARTY TRANSACTIONS FOR 2016

In 2016, the related party transactions of the Bank were mainly loans, investment and guarantee businesses, and the total transaction balances with all related parties were RMB2.960 billion, including RMB0.200 billion of inter-bank borrowing balance with the related parties, RMB0.538 billion of loan balance with the related parties and RMB1.950 billion of investment balance with the related parties, as shown below:

Names of Related Parties	Types of Related Party	Loan/ Transaction Balance (RMB 10 Thousand)	Percentage to Investment/ Guarantee/ Loan/ borrowing Balance of the Bank	Percentage to Net Capital of the Bank
Qingdao Haier Properties Group Limited	Non-standard debt instruments	150,000.00	1.02%	7.19%
Qingdao Conson Financial Holdings Co., Ltd.	Loans	50,000.00	0.57%	2.40%
Qingdao Changyuan Properties Co., Ltd.	Non-standard debt instruments	30,000.00	0.20%	1.44%
Qingdao Haier Home Integration Limited	Guarantees	27,180.83	11.70%	1.30%
Shanghai Branch of Intesa SanPaolo S.p.A.	Inter-bank borrowings	20,000.00	32.31%	0.96%
Qingdao Haier Venture Capital Investment and Consultation Co., Ltd. (青島海爾創業投資 諮詢有限公司)	Non-standard debt instruments	15,000.00	0.10%	0.72%
Qingdao Jingcheng Pharmaceutical Co., Ltd.	Loans	700.00	0.01%	0.03%
Loans and credit card advances for related natural persons	Personal loans	3,101.83	0.04%	0.15%
Total	-	295,982.66	-	14.19%

As of the end of 2016, the Bank's loans granted to the related parties have accounted for 0.62% of the total loans, the investment in non-standard debt instruments of related parties have accounted for 1.33% of the total investments and the inter-bank borrowings to the related parties have accounted for 32.31% of the total borrowings. Among which, the non-performing ratio of loans for related parties has remained at zero, and the quality of credit facilities granted to related parties was better than the average quality of credit facilities granted by the Bank. The Bank judged that the existing related party transactions would have no material impact on the normal operation of the Bank.

As of the end of 2016, the largest balance of credit facilities granted to a related party by the Bank accounted for 7.19% of the net capital, the largest balance of credit facilities granted to a group customer where a related legal person belongs to accounted for 10.66% of the net capital and the balance of credit facilities granted to all related parties accounted for 14.19% of the net capital. The above indicators have not exceeded the regulatory limits as required by the CBRC.

In 2017, the Bank will strictly comply with the laws and regulations as well as the requirements of the control measures on related party transactions and the Articles of Association of the Bank. The Bank will continuously regulate its control on related party transactions and disclose information of related party transactions on a timely basis to ensure the legality and compliance of its related party transactions and to firmly safeguard the interests of the Bank and the Shareholders as a whole.

Please review.

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

Existing Articles	Amended Articles
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 8 The total capital of the Bank is divided into shares of equal par value, and the shareholders shall bear liability for the Bank to the extent of the shares subscribed by them, and the Bank shall bear liability for its debts to the extent of its total assets.	Article 8 The total capital of the Bank is divided into shares of equal par value, and the shareholders of the Bank shall bear liability for the Bank to the extent of the shares subscribed by them, and the Bank shall bear liability for its debts to the extent of its total assets.
Chapter 3 Shares and registered capital	Chapter 3 Shares and registered capital
Section 1 Issuance of shares	Section 1 Issuance of shares
Article 17 The Bank shall have ordinary shares at all times. The Bank may issue other classes of shares according to its needs and upon the approval from the applicable authorities of the State Council. The shares in the Bank shall be issued in a fair and impartial manner and each share of the same class shall have the same rights and is entitled to the same dividend. Each share of the same class issued at the same time shall be on the same conditions and at the same price. All entities or individuals subscribing for the shares shall pay the same price for each share.	Article 17 The Bank shall have ordinary shares at all times. The Bank may issue other classes of shares <u>such as preference</u> <u>shares</u> according to its needs and upon the approval from the applicable authorities of the State Council. <u>In these Articles,</u> <u>preference shares refer to the other</u> <u>classes of shares governed separately</u> <u>under the Company Law as compared to</u> <u>the ordinary shares governed by the</u> <u>general provisions. Preference</u> <u>shareholders shall be entitled to</u> <u>participate in the distribution of profits</u> <u>and residual assets of the Bank in</u> <u>priority to ordinary shareholders, but</u> <u>their rights in respect of participating in</u> <u>decision making and management of the</u> <u>Bank (such as voting rights) are</u> <u>restricted.</u> The shares in the Bank shall be issued in a fair and impartial manner and each share of the same class shall have the same rights and is entitled to the same dividend. Each share of the same class issued at the same time shall be on the same conditions and at the same price. All entities or individuals subscribing for the shares shall

Existing Articles	Amended Articles
Article 18 All the shares issued by the	Article 18 All the <u>ordinary</u> shares issued
Bank shall have a par value. The par value	by the Bank shall have a par value. The
of each share shall be Renminbi ("RMB")	par value of each share shall be Renminbi
1.00.	("RMB") 1.00.
Article 22 The total number of ordinary	Article 22 The total number of ordinary
shares that the Bank can issue upon	shares that the Bank can issue upon
approval by the approval departments as	approval by the approval departments as
authorized by the State Council is	authorized by the State Council is
4,058,712,749 shares.	4,058,712,749 shares.
The Bank's share capital structure is: 4,058,712,749 ordinary shares, among which 2,295,677,769 are domestic shares, representing 56.56% of the total shares issued by the Bank; and 1,763,034,980 H shares, representing 43.44% of the total shares issued by the Bank.	The Bank's ordinary share capital structure is: 4,058,712,749 ordinary shares, among which 2,295,677,769 are domestic shares, representing 56.56% of the total shares issued by the Bank; and 1,763,034,980 H shares, representing 43.44% of the total shares issued by the Bank.
	The offshore preference shares of the Bank are [•].
Section 2 Increase and Reduction of	Section 2 Increase and Reduction of
Shares and Share Repurchase	Shares and Share Repurchase
Article 27 The Bank may, subject to the	Article 27 The Bank may, subject to the
laws, administrative regulations,	laws, administrative regulations,
departmental rules and the provisions	departmental rules and the provisions
specified in these Articles and upon	specified in these Articles and upon
approvals from the relevant competent	approvals from the relevant competent
regulatory authorities of the State,	regulatory authorities of the State,
repurchase its issued shares under the	repurchase its issued shares under the
following circumstances:	following circumstances:
(4) requests for the Bank to buy out shares	(4) requests for the Bank to buy out shares
from shareholders who have voted against	from shareholders who have voted against
the resolutions passed at a shareholders'	the resolutions passed at a shareholders'
general meeting to merge or divide the	general meeting to merge or divide the
Bank.	Bank <u>; and</u>
Save for the above circumstances, the Bank shall be prohibited from trading in its own shares.	(5) where the laws, administrative regulations, departmental rules, these Articles or the preference shares issuance plan of the Bank in relation to the repurchase of preference shares by the Bank provides otherwise, such provisions shall prevail.
	Save for the above circumstances, the Bank shall be prohibited from trading in its own shares.

Existing Articles	Amended Articles
Section 3 Transfer and Pledge of Shares	Section 3 Transfer and Pledge of Shares
Article 37 The promoters shall not transfer their shares of the Bank within one (1) year from the date the Bank is established as a company limited by shares. Shares which have been in issue before the Bank's initial public offering shall not be transferred within one (1) year from the date of the Bank's listing and trading on a stock exchange.	Article 37 The promoters shall not transfer their shares of the Bank within one (1) year from the date the Bank is established as a company limited by shares. Shares which have been in issue before the Bank's initial public offering shall not be transferred within one (1) year from the date of the Bank's listing and trading on a stock exchange.
Directors, supervisors and the members of senior management shall, during their term of office, regularly inform the Bank about their holdings of the shares in the Bank and any changes in their shareholding. During the term of office of the aforementioned persons, the shares transferred each year shall not exceed 25% of the total number of shares held by that individual. The shares of the Bank held by the aforementioned persons shall not be transferred within one (1) year from the date of initial listing and trading on a stock exchange. The aforementioned persons shall not transfer shares of the Bank held by them within six (6) months after they cease to be employed. If the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed have restrictions on transfers of overseas-listed foreign shares, those provision(s) shall prevail.	Directors, supervisors and the members of senior management shall, during their term of office, regularly inform the Bank about their holdings of the shares (including preference shares) in the Bank and any changes in their shareholding. During the term of office of the aforementioned persons, the shares transferred each year shall not exceed 25% of the total number of shares held by that individual. The shares of the Bank held by the aforementioned persons shall not be transferred within one (1) year from the date of initial listing and trading on a stock exchange. The aforementioned persons shall not transfer shares of the Bank held by them within six (6) months after they cease to be employed. If the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed have restrictions on transfers of overseas-listed foreign shares, those provision(s) shall prevail.

Existing Articles	Amended Articles
Chapter 4 Shares Certificate and Share Register	Chapter 4 Shares Certificate and Share Register
Article 45 The Bank shall keep a complete register of shareholders.	Article 45 The Bank shall keep a complete register of shareholders.
The register of shareholders shall comprise the following parts:	The register of shareholders shall comprise the following parts:
(1) the register kept at the Bank's domicile, apart from those mentioned under items (2) and (3) of this Article;	(1) the register kept at the Bank's domicile, apart from those mentioned under items (2), and (3) and (4) of this Article;
 (2) the registers of shareholders of the overseas-listed shares kept at the location(s) of the stock exchange(s) on which the shares are listed; and (3) any other register of shareholders kept 	(2) the registers of shareholders of the overseas-listed shares kept at the location(s) of the stock exchange(s) on which the shares are listed; and
at such other places as the Board of Directors deems necessary for the purpose of listing the shares of the Bank.	(3) any other register of shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares of the Bank -; and
	(4) the register of preference shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the Bank's preference shares.
Chapter 5 Shareholders and Shareholders' General Meetings	Chapter 5 Shareholders and Shareholders' General Meetings
Section 1 Shareholders	Section 1 Shareholders
Article 54 Shareholders of the Bank shall enjoy the following rights:	Article 54 Shareholders of the Bank shall enjoy the following rights (where these Articles provide otherwise in relation to the rights of preference shareholders, such provisions shall prevail):
Article 59 A shareholder of the Bank shall have the following obligations:	Article 59 A shareholder of the Bank shall have the following obligations (where these Articles provide otherwise in relation to the obligations of preference shareholders, such provisions shall prevail):

Existing Articles	Amended Articles
Section 2 General Provisions on Shareholders' General Meetings	Section 2 General Provisions on Shareholders' General Meetings
Article 66 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:	Article 66 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:
(15) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.	(15) to decide on the issuance of preference shares; to decide or authorize the Board of Directors to decide any matters in relation to the preference shares issued by the Bank, including but not limited to redemption, conversion and payment of dividends; and
	(15)(16) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.
Section 3 The Convening of Shareholders' General Meetings	Section 3 The Convening of Shareholders' General Meetings
Article 74 When the Requesting Shareholders request to convene an extraordinary general meeting, they shall act in compliance with the following procedures:	Article 74 When the Requesting Shareholders request to convene an extraordinary general meeting, they shall act in compliance with the following procedures:
If the Board of Supervisors fails to issue notice of the shareholders' general meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting, and the Requesting Shareholders who individually or in aggregate holding 10% or more of the Bank's shares for at least ninety (90) consecutive days may convene and preside over the meeting.	If the Board of Supervisors fails to issue notice of the shareholders' general meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting, and the Requesting Shareholders who individually or in aggregate holding 10% or more of the Bank's total voting shares for at least ninety (90) consecutive days may convene and preside over the meeting.

Existing Articles	Amended Articles
Article 75 If either the Board of Supervisors or shareholders propose to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be informed in writing and the relevant documents shall be filed with the banking regulatory authority and other relevant regulatory authorities of the place in which the Bank is operating. The notice shall comply with the following requirements:	Article 75 If either the Board of Supervisors or shareholders propose to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be informed in writing and the relevant documents shall be filed with the banking regulatory authority and other relevant regulatory authorities of the place in which the Bank is operating. The notice shall comply with the following requirements:
 (1) no additional content shall be allowed in the proposal, otherwise the Requesting Shareholders shall make another proposal to the Board of Directors to convene a shareholders' general meeting according to the above procedures; and (2) the meeting shall be held in the place in which the Bank is operating. The shareholding proportion of the Requesting Shareholders before the resolution of the shareholders' general meeting shall not be less than 10%. 	 (1) no additional content shall be allowed in the proposal, otherwise the Requesting Shareholders shall make another proposal to the Board of Directors to convene a shareholders' general meeting according to the above procedures; and (2) the meeting shall be held in the place in which the Bank is operating. The shareholding proportion of the Requesting Shareholders before the resolution of the shareholders' general meeting shall not be less than 10% of the total voting shares.
Section 4 Proposals and Notice of Shareholders' General Meetings	Section 4 Proposals and Notice of Shareholders' General Meetings
Article 80 When the Bank is to convene a shareholders' general meeting, a written notice stipulating the matters to be considered and the venue, date and time of the meeting shall be sent to all registered shareholders forty-five (45) days before the shareholders' general meeting. Shareholders who wish to attend the shareholders' general meeting shall provide a written reply of attendance to the Bank twenty (20) days before the shareholders' general meeting is convened.	Article 80 When the Bank is to convene a shareholders' general meeting, a written notice stipulating the matters to be considered and the venue, date and time of the meeting shall be sent to all registered the shareholders who are entitled to attend the shareholders' general meeting forty-five (45) days before the shareholders' general meeting. Shareholders who wish to attend the shareholders' general meeting shall provide a written reply of attendance to the Bank twenty (20) days before the shareholders' general meeting is convened.

Existing Articles	Amended Articles
Article 81 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received twenty (20) days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders within five (5) days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.	Article 81 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received twenty (20) days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders who are entitled to attend the shareholders' general meeting within five (5) days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.

Existing Articles	Amended Articles
Article 85 Unless otherwise provided by these Articles, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all shareholders (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For holders of domestic shares, the notice of a shareholders' general meeting may be in form of an announcement.	Article 85 Unless otherwise provided by these Articles, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to <u>the</u> shareholders <u>who</u> <u>are entitled to attend the shareholders'</u> <u>general meeting</u> (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For holders of domestic shares, the notice of a shareholders' general meeting may be in form of an announcement.
The aforesaid announcement shall be published in one or more newspapers specified by the securities regulatory authority of the State Council between the forty-five (45) to fifty (50) day intervals prior to the meeting date. All holders of domestic shares shall be deemed as having been notified of the forthcoming shareholders' general meeting once the announcement is published. For holders of H shares, subject to the compliance with the applicable laws, administrative regulations, departmental rules, regulatory documents and the relevant regulatory authorities, the Bank may choose to notify such shareholders of a shareholders' general meeting by publishing the notice on the websites of the Bank and the Hong Kong Stock Exchange instead of delivering the notice by hand or prepaid mail.	The aforesaid announcement shall be published in one or more newspapers specified by the securities regulatory authority of the State Council between the forty-five (45) to fifty (50) day intervals prior to the meeting date. All holders of domestic shares shall be deemed as having been notified of the forthcoming shareholders' general meeting once the announcement is published. For holders of H shares, subject to the compliance with the applicable laws, administrative regulations, departmental rules, regulatory documents and the relevant regulatory authorities, the Bank may choose to notify such shareholders of a shareholders' general meeting by publishing the notice on the websites of the Bank and the Hong Kong Stock Exchange instead of delivering the notice by hand or prepaid mail.
Section 5 The Holding of Shareholders' General Meetings	Section 5 The Holding of Shareholders' General Meetings
Article 88 All shareholders whose names appear on the register of shareholders on the shareholding registration date or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and these Articles.	Article 88 All shareholders (including preference shareholders with restored voting rights) whose names appear on the register of shareholders on the shareholding registration date or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and these Articles.

Existing Articles	Amended Articles
Article 98 Minutes shall be recorded for	Article 98 Minutes shall be recorded for
the shareholders' general meeting, and the	the shareholders' general meeting, and the
secretary to the Board of Directors shall be	secretary to the Board of Directors shall be
in charge of recording the minutes. The	in charge of recording the minutes. The
minutes shall contain the following	minutes shall contain the following
information:	information:
(1) the time, venue, and agenda of the	(1) the time, venue, and agenda of the
meeting, as well as the name (or corporate	meeting, as well as the name (or corporate
name) of the convener;	name) of the convener;
(2) the name of the chairman of the	(2) the name of the chairman of the
meeting, and the directors, supervisors,	meeting, and the directors, supervisors,
president and other members of senior	president and other members of senior
management who attend or observe the	management who attend or observe the
meeting;	meeting;
(3) the number of shareholders and proxies	(3) the number of shareholders and proxies
present at the meeting, the total number of	present at the meeting, the total number of
shares with voting rights held by them,	shares with voting rights held by them,
and the percentage in relation to the total	and the percentage in relation to the total
number of the Bank's shares;	number of the Bank's <u>voting</u> shares;
(4) the deliberation process for each resolution, key points of speeches made and voting outcome;	(4) the deliberation process for each resolution, key points of speeches made and voting outcome;
(5) any enquiries or suggestions made by	(5) any enquiries or suggestions made by
shareholders and the corresponding	shareholders and the corresponding
explanation or response;	explanation or response;
(6) the name of the lawyer, vote counter and scrutineer; and	(6) the name of the lawyer, vote counter and scrutineer; and
(7) any other matters required by the	(7) any other matters required by the
shareholders' general meeting and the	shareholders' general meeting and the
provisions of these Articles to be recorded	provisions of these Articles to be recorded
in the minutes.	in the minutes.

Existing Articles	Amended Articles
Chapter 7 Board of Directors	Chapter 7 Board of Directors
Section 2 Independent Directors	Section 2 Independent Directors
 Article 141 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters: (9) any other matters as required by the laws, administrative regulations, departmental rules, regulatory documents 	Article 141 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters: (9) the effect of the issuance of preference shares on the rights and interests of every class of shareholders;
and these Articles. Independent directors shall give opinion on the above mentioned matters in one of the following manner: agree; qualified opinions and the reasons thereof; disagree	and (9)(10) any other matters as required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.
and the reasons thereof; unable to give opinion and the obstacles thereof.	Independent directors shall give opinion on the above mentioned matters in one of the following manner: agree; qualified opinions and the reasons thereof; disagree and the reasons thereof; unable to give opinion and the obstacles thereof.

	1
Existing Articles	Amended Articles
Chapter 11 Financial Accounting System, Profit Distribution Plans and Audit	Chapter 11 Financial Accounting System, Profit Distribution Plans and Audit
Section 1 Financial Accounting System	Section 1 Financial Accounting System
Article 256 The after-tax profit of the Bank for the year shall be distributed in the following order of priority:	Article 256 The after-tax profit of the Bank for the year shall be distributed in the following order of priority:
(1) to make up for the losses of previous years;	(1) to make up for the losses of previous years;
(2) to set aside 10% as statutory reserve fund;	(2) to set aside 10% as statutory reserve fund;
(3) to set aside general reserve;	(3) to set aside general reserve;
(4) to set aside discretionary reserve fund; and	(4) to pay dividends to preference shareholders;
(5) to pay dividends to shareholders.No further contribution may be required	(4)(5) to set aside discretionary reserve fund; and
when the accumulated amount of statutory reserve funds of the Bank reaches 50% of its registered capital. The Bank shall not	(5)(6) to pay dividends to ordinary shareholders.
distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.	No further contribution may be required when the accumulated amount of statutory reserve funds of the Bank reaches 50% of its registered capital. The Bank shall not distribute profits to shareholders before
After the Bank has set aside statutory reserve fund and general reserve from the after-tax profits, the Bank, subject to the approval of the shareholders' general	making up losses and setting aside statutory reserve funds and general reserves.
meeting, may make allocation to the discretionary reserve fund from the after- tax profits. The balance of the after-tax profits of the Bank after making up losses and setting aside statutory reserve fund, general reserve and discretionary reserve fund may be distributed to the shareholders in pro rata to their shareholding.	After the Bank has set aside statutory reserve fund and general reserve <u>and paid</u> <u>dividends to preference shareholders</u> from the after-tax profits, the Bank, subject to the approval of the shareholders' general meeting, may make allocation to the discretionary reserve fund from the after-tax profits. The balance of the after-
Where the shareholders' general meeting distributes profits to shareholders before the Bank's making up losses and setting aside statutory reserve funds and violates the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.	tax profits of the Bank after making up losses-and, setting aside statutory reserve fund <u>and</u> , general reserve, <u>paying</u> <u>dividends to preference shareholders</u> and <u>setting aside</u> discretionary reserve fund may be distributed to the shareholders in pro rata to their shareholding.
Shares held by the Bank shall not	

participate in the distribution of profits.

Existing Articles	Amended Articles
	In general, no dividend shall be paid to shareholders for any year in which the Bank's capital adequacy ratio is lower than the minimum standard required by the regulatory authorities of the PRC. On the premises of ensuring that the capital adequacy ratio meets the regulatory requirements, the Bank may distribute profits if its profits realized in each year, after making up losses, setting aside statutory reserves and general reserve, and paying dividends to preference shareholders according to law, remain positive and distributable. The payment of dividends on preference shares should be subject to laws, regulations, department rules, relevant provisions of the securities regulatory authorities where the Bank's shares are listed and the preference shares are issued or listed, and these Articles. Where the shareholders' general meeting distributes profits to shareholders before the Bank's making up losses and setting
	aside statutory reserve funds and violates the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.
	Shares held by the Bank shall not participate in the distribution of profits.

Existing Articles	Amended Articles
Chapter 13 Mergers, Division, Increase of Capital, Reduction of Capital, Dissolution and Liquidation	Chapter 13 Mergers, Division, Increase of Capital, Reduction of Capital, Dissolution and Liquidation
Section 2 Dissolution and Liquidation	Section 2 Dissolution and Liquidation
Article 293 The Bank's assets shall be liquidated in the following order after paying off debts:	Article 293 The Bank's assets shall be liquidated in the following order after paying off debts:
The Bank's assets shall not be distributed to shareholders before it is used for settlement of debts in accordance with the provisions of the preceding paragraph. The Bank's remaining assets after settlement of debts in accordance with the provisions of the preceding paragraph shall be distributed to shareholders in proportion to their shareholdings.	The Bank's assets shall not be distributed to shareholders before it is used for settlement of debts in accordance with the provisions of the preceding paragraph. The Bank's remaining assets after settlement of debts in accordance with the provisions of the preceding paragraph shall be distributed to shareholders <u>according to</u> <u>the class of shares and their</u> <u>shareholding ratio.</u>
	<u>Chapter 15 Special Provisions on</u> <u>Preference Shares</u>
	Article 301 Unless otherwise specified in laws, regulations, department rules, regulations of the securities regulatory authority of the locality where the shares of the Bank are listed and this Chapter, the rights and obligations of preference shareholders and management of preference shares shall be governed by the provisions related to ordinary shares (including H shares) in these Articles.
	Article 302 The number of preference shares issued by the Bank shall not exceed 50% of the total number of ordinary shares then issued, and the capital raised from the issuance of preference shares shall not be more than 50% of the net assets of the Bank prior to such issuance (excluding the preference shares that have been redeemed or converted).

Existing Articles	Amended Articles
	Article 303 In accordance with relevant rules on capital regulation of commercial banks, the Bank may establish terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Bank converts the preference shares into ordinary shares in accordance with the conversion price and conversion amount as determined at the time of issuance of the preference shares. In circumstances when the preference shares are mandatorily converted into ordinary shares, the Bank shall report to and seek approval from banking regulatory authorities under the State Council.
	Article 304 The preference shares issued by the Bank shall not have any put option, and the preference shareholders shall have no right to require the Bank to redeem preference shares. Subject to the approval of the banking regulatory authorities under the State Council and upon compliance with relevant requirements, the Bank has the right to redeem all or part of the preference shares after the fifth year following the date of the relevant issuance of the preference shares. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares. The Bank shall write down the total amount of outstanding preference shares after the Bank redeems the preference shares.

Existing Articles	Amended Articles
	The exercise by the Bank of its right to redeem the preference shares shall be subject to the fulfillment of the following conditions:
	(1) the Bank shall use capital instruments of the same or superior quality to replace the preference shares to be redeemed and such replacement shall only be made at a time at which the Bank has a sustainable income generating capability; or
	(2) the capital position of the Bank immediately after redemption of the preference shares will remain significantly higher than the regulatory capital requirements prescribed by the banking regulatory authorities under the State Council.
	The redemption price of offshore preference shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.

Existing Articles	Amended Articles
	Article 305 Preference shareholders of the Bank shall enjoy the following rights:
	(1) to receive distribution of dividends in priority to ordinary shareholders;
	(2) to receive distribution of residual assets of the Bank on liquidation in priority to those of ordinary shareholders;
	(3) upon the occurrence of the circumstances provided in Article 307, to attend and vote at shareholders' general meetings;
	(4) upon the occurrence of the circumstances provided in Article 308, to have its voting rights restored in accordance with the requirements of that Article;
	(5) to make proposals or inquiries in relation to the business operations and activities of the Bank;
	(6) to inspect the Bank's Articles, register of shareholders, record of bondholders, minutes of shareholders' general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors and financial reports; and
	(7) other rights conferred to preference shareholders by laws, regulations, department rules and these Articles.

Existing Articles	Amended Articles
	Article 306 Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares and the amount of shares held by the shareholders in the event of the following:
	(1) a request to convene an extraordinary general meeting;
	(2) convening and presiding over a shareholders' general meeting;
	(3) submitting of a proposal or an interim proposal to a shareholders' general meeting;
	(4) nomination of the directors and supervisors who are not staff representatives of the Bank;
	(5) identifying controlling shareholder(s) according to the relevant provisions of these Articles;
	(6) identifying person(s) restricted from serving as independent directors of the Bank according to the relevant provisions of these Articles;
	(7) identifying the ten largest shareholders of the Bank and the number of shares held by them and the shareholder(s) holding five percent (5%) or more of the shares of the Bank in accordance with the Securities Law of the People's Republic of China and relevant regulations; and
	(8) other circumstances provided under laws, regulations, departmental rules and these Articles.

Existing Articles	Amended Articles
	Article 307 The preference shareholders are not entitled to attend any shareholders' general meeting of the Bank nor do the preference shares carry voting rights in any shareholders' general meeting other than in the following circumstances:
	(1) amendments to these Articles that relate to preference shares;
	(2) reduction of the registered capital of the Bank by more than ten percent (10%) on a single or aggregate basis;
	(3) merger, division, dissolution or change of corporate form of the Bank;
	(4) issuance of preference shares by the Bank; and
	(5) other circumstances specified in laws, regulations, departmental rules and these Articles.
	On the occurrence of any of the above matters, the Bank shall notify preference shareholders of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under these Articles. The preference shareholders are entitled to vote at a separate class meeting with respect to the above matters and each preference share shall have one vote, but preference shares held by the Bank do not entitle the Bank to vote.
	Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by
	preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

Existing Articles	Amended Articles
	Article 308 In the event that the Bank fails to pay the prescribed dividend to the preference shareholders for three financial years in aggregate or two consecutive financial years, the preference shareholders will have the right to attend and vote at the shareholders' general meetings as if they are ordinary shareholders from the day immediately after the shareholders' general meeting resolves that the Bank will not pay the prescribed dividend for the current dividend period. The voting rights of the preference shareholders will remain restored until the Bank pays the current period dividend in full.
	The formula for calculating the voting rights of the offshore preference shares with restored voting rights is as follows: $Q = V/P \times conversion exchange rate,$ with any fractional restored voting right rounded down to the nearest whole number.
	Where: "Q" denotes the H share voting rights restored from the offshore preference shares held by each offshore preference shareholder; "V" denotes the aggregate value of the offshore preference shares with restored voting rights held by each offshore preference
	rights held by each offshore preference shareholder; "P" denotes the conversion price, and the initial conversion price is decided by the issuance plan for offshore preference shares passed by shareholders' general meeting and denominated in Hong Kong dollars
	(which shall be converted with reference to the central parity rate of RMB against Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day prior to the announcement date of
	the Board of Directors resolution on the issuance plan for offshore preference shares (rounded up to the nearest 2 decimal places)); and the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the offshore
	preference shares are denominated based on the RMB central parity rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the passing of the Board of Directors' resolution in respect
	of the issuance plan for offshore preference shares.

Existing Articles	Amended Articles
Existing Articles	Amended ArticlesArticle 309 The dividend rate for the issued and outstanding preference shares of the Bank consists of the benchmark rate and the fixed spread. The dividend rate may be adjusted at different intervals. During a specified period after issuance of the preference shares, the dividend rate will remain the same and during any adjusted dividend rate period, the dividend rate will remain the same.Preference shareholders shall rank in priority to the ordinary shareholders in terms of dividend distribution and the preference shares shall be entitled to the dividend rate and distribution of profits in accordance with the agreed terms. Dividends to the preference shareholders shall be payable in cash.After receiving the dividends at the prescribed dividend rate, the preference shareholders shall not be entitled to any
	distribution of residual profits of the Bank together with the ordinary shareholders. In accordance with the
	relevant rules on capital regulation of commercial banks, the Bank shall have the right to cancel dividends in whole or in part and this will not constitute an
	event of default. Any amount of dividends unpaid to the preference shareholders in full by the Bank will not be accumulated to the following
	dividend period.

Existing Articles	Amended Articles
	Article 310 In the event of liquidation of the Bank as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Bank after liquidation in accordance with laws, regulations, departmental rules and paragraph (1) to (5) under Article 293 of these Articles shall be distributed first to the preference shareholders. Preference shareholders will be entitled to an amount equal to the aggregate value of the preference shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient remaining assets, the distribution will be made ratably according to the aggregate value of the preference shares held by each offshore preference shareholder as a proportion of the aggregate value of all preference shares of the Bank.
Chapter 16 Miscellaneous	Chapter 17 6 Miscellaneous
Article 302 Interpretation	Article 312302 Interpretation
(1) The "controlling shareholder(s)" herein shall refer to the person(s) satisfying any of the following conditions:	(1) The "controlling shareholder(s)" herein shall refer to the person(s) satisfying any of the following conditions:
(i) the person may elect more than half of the directors when acting alone or in concert with others;	(i) the person may elect more than half of the directors when acting alone or in concert with others;
(ii) the person may exercise or control the exercise of more than 30% of the total voting shares of the Bank when acting alone or in concert with others;	(ii) the person may exercise or control the exercise of more than 30% of the total voting shares of the Bank when acting alone or in concert with others;
(iii) the person holds more than 30% of issued and outstanding shares of the Bank when acting alone or in concert with others; or	(iii) the person holds more than 30% of issued and outstanding <u>the total voting</u> <u>shares</u> of the Bank when acting alone or in concert with others; or
(iv) the person may de facto control the Bank in any other manner when acting alone or in concert with others.	(iv) the person may de facto control the Bank in any other manner when acting alone or in concert with others.

Existing Articles	Amended Articles
The term "acting in concert" herein means	The term "acting in concert" herein means
two or more persons who, by way of	two or more persons who, by way of
agreement (whether verbal or written),	agreement (whether verbal or written),
cooperation or related party relationships	cooperation or related party relationships
or other lawful means, enlarge the	or other lawful means, enlarge the
proportion of the shares in the Bank which	proportion of the shares in the Bank which
are under their control or consolidate their	are under their control or consolidate their
control over the Bank, so that when	control over the Bank, so that when
exercising the voting rights of the Bank,	exercising the voting rights of the Bank,
the same expression of opinions will be	the same expression of opinions will be
made (including joint proposal of motions,	made (including joint proposal of motions,
joint nomination of directors, entrustment	joint nomination of directors, entrustment
of the exercise of voting rights which do	of the exercise of voting rights which do
not state voting intention and other such	not state voting intention and other such
situations, but excluding open proxy	situations, but excluding open proxy
solicitation).	solicitation).
(2) "De facto controller" means a person	(2) "De facto controller" means a person
who, though not a shareholder of the	who, though not a shareholder of the
Bank, is able to get the de facto control of	Bank, is able to get the de facto control of
the Bank through investment relationships,	the Bank through investment relationships,
agreement or other arrangements.	agreement or other arrangements.
(3) "Related relation" means the relation	(3) "Related relation" means the relation
between the controlling shareholder, actual	between the controlling shareholder, actual
controller, directors, supervisors, senior	controller, directors, supervisors, senior
management officers of the Bank and the	management officers of the Bank and the
enterprise that they control directly or	enterprise that they control directly or
indirectly, and other relation that may	indirectly, and other relation that may
cause the transfer of interest of the Bank.	cause the transfer of interest of the Bank.
However, the relation between fellow	However, the relation between fellow
State-controlled enterprises shall not be	State-controlled enterprises shall not be
deemed as related relation merely because	deemed as related relation merely because
they are both controlled by the State.	they are both controlled by the State.
(4) "Substantial shareholders" herein	(4) "Substantial shareholders" herein
means the shareholders who can directly,	means the shareholders who can directly,
indirectly, or jointly hold or control more	indirectly, or jointly hold or control more
than 5% of the shares or voting rights of	than 5% of the shares or voting rights of
the Bank and have a significant impact	the Bank and have a significant impact
upon the decision-making of the Bank.	upon the decision-making of the Bank.
	(5) The "total voting shares" herein shall only include the total number of ordinary shares and preference shares with the restored voting rights.
	(6) Unless otherwise specified herein, "share(s)", "share certificate(s)" and "H share(s)" in Chapters 3 to 14, Chapter 16 shall refer to ordinary share(s), ordinary share certificate(s) and ordinary H share(s), and "shareholder(s)" shall refer to ordinary shareholders. Special matters relating to preference shares are set out separately in Chapter 15 of these Articles.

Note: As a result of addition and deletion of Articles, numbering of the original Articles of the Articles of Association and hence those cross-referenced Articles have been adjusted accordingly, which are not showed separately.

APPENDIX V

AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING

COMPARISON CHART OF THE AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETINGS OF BANK OF QINGDAO CO., LTD.

Existing Rules	Amended Rules
Chapter 1 General Provisions	Chapter 1 General Provisions
Rule 4 All holders of the Bank's shares shall be entitled to attend the shareholders' general meetings in person or by proxy and to the rights of shareholders, including the right of information, the right of speaking, the right of enquiry and voting right, in accordance with the laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association as well as the rules stipulated herein.	Rule 4 All holders of the Bank's shares (including preference shareholders with restored voting rights) shall be entitled to attend the shareholders' general meetings in person or by proxy and to the rights of shareholders, including the right of information, the right of speaking, the right of enquiry and voting right, in accordance with the laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association as well as the rules stipulated herein.
Chapter 2 General Provisions of Shareholders' General Meetings	Chapter 2 General Provisions of Shareholders' General Meetings
Rule 8 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:	Rule 8 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:
(15) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Rules.	(15) to decide on the preference share offering; to determine or authorize the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption and conversion of shares and distribution of dividends; and
	(15)(16) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Rules.

Existing Rules	Amended Rules
Chapter 3 The Convening of	Chapter 3 The Convening of
Shareholders' General Meetings	Shareholders' General Meetings
Rule 16 When the Requesting	Rule 16 When the Requesting
Shareholders request to convene an	Shareholders request to convene an
extraordinary general meeting, they shall	extraordinary general meeting, they shall
act in compliance with the following	act in compliance with the following
procedures:	procedures:
If the Board of Supervisors fails to issue notice of the shareholders' general meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting, and the Requesting Shareholders who individually or in aggregate holding 10% or more of the Bank's shares for at least ninety (90) consecutive days may convene and preside over the meeting.	If the Board of Supervisors fails to issue notice of the shareholders' general meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting, and the Requesting Shareholders who individually or in aggregate holding 10% or more of the Bank's total voting shares for at least ninety (90) consecutive days may convene and preside over the meeting.
Rule 17 If either the Board of Supervisors	Rule 17 If either the Board of Supervisors
or shareholders propose to convene a	or shareholders propose to convene a
shareholders' general meeting on their own	shareholders' general meeting on their own
initiatives, they shall notify the Board of	initiatives, they shall notify the Board of
Directors in writing and file with local	Directors in writing and file with local
office of the banking regulatory authority	office of the banking regulatory authority
and other relevant regulatory authorities,	and other relevant regulatory authorities,
and then issue a notice of convening the	and then issue a notice of convening the
extraordinary general meeting. The notice	extraordinary general meeting. The notice
shall be subject to the following	shall be subject to the following
requirements:	requirements:
The shareholding proportion of the Proposing Shareholders before adopting any resolution at the shareholders' general meeting shall not be less than 10%.	The shareholding proportion of the Proposing Shareholders before adopting any resolution at the shareholders' general meeting shall not be less than 10% <u>of the</u> <u>total voting shares</u> .

Existing Rules	Amended Rules
Chapter 4 Proposals and Notice of Shareholders' General Meetings	Chapter 4 Proposals and Notice of Shareholders' General Meetings
Rule 23 When the Bank is to convene a shareholders' general meeting, it shall issue a written notice forty-five (45) days prior to the meeting, notifying all the registered shareholders of the matters to be considered at the meeting as well as the date and venue of the meeting. Shareholders who wish to attend the shareholders' general meeting shall provide a written reply of attendance to the Bank twenty (20) days before the shareholders' general meeting.	Rule 23 When the Bank is to convene a shareholders' general meeting, it shall issue a written notice forty-five (45) days prior to the meeting, notifying <u>the all the registered</u> shareholders <u>entitled to attend</u> <u>the shareholders' general meeting</u> of the matters to be considered at the meeting as well as the date and venue of the meeting. Shareholders who wish to attend the shareholders' general meeting shall provide a written reply of attendance to the Bank twenty (20) days before the shareholders' general.
Rule 24 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received twenty (20) days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders within five (5) days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.	Rule 24 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received twenty (20) days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders <u>entitled to attend the</u> <u>meeting</u> within five (5) days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.
Rule 28 Unless otherwise provided by these rules, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all shareholders (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For the holders of domestic shares, the notice of a shareholders' general meeting may be issued by way of announcement.	Rule 28 Unless otherwise provided by these rules, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all <u>the</u> shareholders <u>entitled to attend</u> (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For the holders of domestic shares, the notice of a shareholders' general meeting may be issued by way of announcement.

Existing Rules	Amended Rules
Chapter 5 Holding of the Shareholders' General Meeting	Chapter 5 Holding of the Shareholders' General Meeting
Rule 37 All shareholders whose names appear on the register of shareholders on the shareholding registration date or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and these Rules.	Rule 37 All shareholders whose names appear on the register of shareholders on the shareholding registration date (including preference shareholders with restored voting rights) or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and these Rules.
Chapter 6 Voting Procedures and Resolutions of Shareholders' General Meetings	Chapter 6 Voting Procedures and Resolutions of Shareholders' General Meetings
	Rule 52 Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion and the amount of shares held by the shareholders in the following events: (1) requesting to convene an extraordinary general meeting; (2) convening and presiding over a shareholders' general meeting; (3) submitting an proposal or an interim proposal to the shareholders' general meeting; (4) nomination of the directors and supervisors who are not staff representatives of the Bank; (5) identifying controlling shareholder(s) according to the relevant provisions of these Rules; (6) identifying person(s) restricted from serving as independent directors of the Bank according to the relevant provisions of these Rules;

Existing Rules	Amended Rules
	(7) identifying the ten largest shareholders of the Bank and the number of shares held by them and the shareholder(s) holding five percent (5%) or more of the shares of the Bank in accordance with the Securities Law of the People's Republic of China and relevant regulations; and
	(8) other circumstances provided under laws, regulations, departmental rules and these Rules.
	Rule 53 The preference shareholders are not entitled to attend any shareholders' general meeting of the Bank nor do the preference shares carry voting rights in any shareholders' general meeting other than in the following circumstances:
	(1) amendments to these Rules that relate to preference shares;
	(2) reduction of the registered capital of the Bank by more than ten percent (10%) on a single or aggregate basis;
	(3) merger, division, dissolution or change of corporate form of the Bank;
	(4) issuance of preference shares by the Bank; and
	(5) other circumstances specified in laws, regulations, departmental rules and these Rules.
	On the occurrence of any of the above matters, the Bank shall notify preference shareholders of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under these Rules. The preference shareholders are entitled to vote at a separate class meeting with respect to the above matters and each preference share shall have one vote, but preference
	shares held by the Bank do not entitle the Bank to vote.

Existing Rules	Amended Rules
	Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).
Rule 52 A shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares with voting rights held. Each share shall have one (1) vote.	Rule 5254 A shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares with voting rights held. Each <u>ordinary share</u> (including preference share with restored voting rights) shall have one (1) vote.
Chapter 7 Minutes of Shareholders' General Meetings	Chapter 7 Minutes of Shareholders' General Meetings
Rule 74 Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:	Rule 7476 Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:
(3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of the Bank's shares;	(3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of the Bank's <u>voting</u> shares;

AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING

Existing Rules	Amended Rules
Chapter 9 Miscellaneous	Chapter 9 Miscellaneous
Rule 79 Unless the context requires otherwise, terms used herein shall have the same meanings as those used in these Rules.	Rule 7981 Unless preference shares referred in the Rules of Procedures, shares and stock referred in the Rules of Procedures herein indicate ordinary shares and stock, and shareholders referred in the Rules of Procedures herein indicates ordinary shareholders. "Total voting shares" referred in the Rules of Procedures shall only include ordinary shares and preference shares with restored voting rights. Unless the context requires otherwise, terms used herein shall have the same meanings as those used in these Rules.

Note: As a result of addition and deletion of Rules, numbering of the original Rules of the Rules of Procedures for the Shareholders' General Meeting and hence those cross-referenced Rules have been adjusted accordingly, which are not showed separately.

COMPARISON CHART OF THE AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS OF BANK OF QINGDAO CO., LTD.

Existing Rules	Amended Rules
Chapter 3 Procedures for Convening Meetings of the Board of Directors	Chapter 3 Procedures for Convening Meetings of the Board of Directors
Section 5 Deliberation at Meetings	Section 5 Deliberation at Meetings
Rule 48 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters:	Rule 48 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters:
(9) other issues stipulated by laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association. 	 (9) the effect of the issuance of preference shares on the rights and interests of every class of shareholders; (9) (10) other issues stipulated by laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association.

COMPARISON CHART OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BANK OF QINGDAO CO., LTD. (A SHARE)

Existing Articles	Amended Articles
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 8 The total capital of the Bank is divided into shares of equal par value, and the shareholders shall bear liability for the Bank to the extent of the shares subscribed by them, and the Bank shall bear liability for its debts to the extent of its total assets.	Article 8 The total capital of the Bank is divided into shares of equal par value, and the shareholders of the Bank shall bear liability for the Bank to the extent of the shares subscribed by them, and the Bank shall bear liability for its debts to the extent of its total assets.
Chapter 3 Shares and registered capital	Chapter 3 Shares and registered capital
Section 1 Issuance of shares	Section 1 Issuance of shares
Article 17 The Bank shall have ordinary shares at all times. The Bank may issue other classes of shares according to its needs and upon the approval from the applicable authorities of the State Council. The shares in the Bank shall be issued in a fair and impartial manner and each share of the same class shall have the same rights and is entitled to the same dividend. Each share of the same class issued at the same time shall be on the same conditions and at the same price. All entities or individuals subscribing for the shares shall pay the same price for each share.	Article 17 The Bank shall have ordinary shares at all times. The Bank may issue other classes of shares such as preference shares according to its needs and upon the approval from the applicable authorities of the State Council. In these Articles, preference shares refer to the other classes of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall be entitled to participate in the distribution of profits and residual assets of the Bank in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Bank (such as voting rights) are restricted. The shares in the Bank shall be issued in a fair and impartial manner and each share of the same class shall have the same rights and is entitled to the same dividend. Each share of the same class issued at the same time shall be on the same conditions and at the same price. All entities or individuals subscribing for the shares shall
Article 18 All the shares issued by the Bank shall have a par value. The par value of each share shall be Renminbi ("RMB")	pay the same price for each share.Article 18 All the ordinaryby the Bank shall have a par value. Thepar value of each share shall be Renminbi
1.00.	("RMB") 1.00.

Existing Articles	Amended Articles
rticle 22 The total number of ordinary pares that the Bank can issue upon pproval by the approval departments as uthorized by the State Council is $[\bullet]$ pares.	Article 22 The total number of ordinary shares that the Bank can issue upon approval by the approval departments as authorized by the State Council is $[\bullet]$ shares.
the Bank's share capital structure is: $[\bullet]$ redinary shares, among which $[\bullet]$ are A hares, representing $[\bullet]\%$ of the total hares issued by the Bank; and 763,034,980 H shares, representing $[\bullet]\%$ if the total shares issued by the Bank.	The Bank's <u>ordinary</u> share capital structure is: $[\bullet]$ ordinary shares, among which $[\bullet]$ are A shares, representing $[\bullet]\%$ of the total shares issued by the Bank; and 1,763,034,980 H shares, representing $[\bullet]\%$ of the total shares issued by the Bank.
	The offshore preference shares of the Bank are $[\bullet]$.
Section 2 Increase and Reduction of Shares and Share Repurchase	Section 2 Increase and Reduction of Shares and Share Repurchase
rticle 27 The Bank may, subject to the ws, administrative regulations, epartmental rules and the provisions becified in these Articles and upon oprovals from the relevant competent egulatory authorities of the State, purchase its issued shares under the ollowing circumstances:	Article 27 The Bank may, subject to the laws, administrative regulations, departmental rules and the provisions specified in these Articles and upon approvals from the relevant competent regulatory authorities of the State, repurchase its issued shares under the following circumstances:
 e) where the laws, administrative egulations, departmental rules, these rules or the Preference Shares Issuance lan of the Bank in relation to the epurchase of preference shares by the ank provides otherwise, such provisions hall prevail. ave for the above circumstances, the ank shall be prohibited from trading in s own shares. 	 (4) requests for the Bank to buy out shares from shareholders who have voted against the resolutions passed at a shareholders' general meeting to merge or divide the Bank; and (5) where the laws, administrative regulations, departmental rules, these Articles or the preference shares issuance plan of the Bank in relation to the repurchase of preference shares by the Bank provides otherwise, such provisions shall prevail. Save for the above circumstances, the Bank shall be prohibited from trading in
	repurcha Bank pro shall pre Save for

Existing Articles	Amended Articles
Section 3 Transfer and Pledge of Shares	Section 3 Transfer and Pledge of Shares
Article 37 The promoters shall not transfer their shares of the Bank within 1 year from the date the Bank is established as a company limited by shares. Shares which have been in issue before the Bank's initial public offering shall not be transferred within 1 year from the date of the Bank's listing and trading on a stock exchange.	Article 37 The promoters shall not transfer their shares of the Bank within 1 year from the date the Bank is established as a company limited by shares. Shares which have been in issue before the Bank's initial public offering shall not be transferred within 1 year from the date of the Bank's listing and trading on a stock exchange.
 Directors, supervisors and the members of senior management shall, during their term of office, regularly inform the Bank about their holdings of the shares in the Bank and any changes in their shareholding. During the term of office of the aforementioned persons, the shares transferred each year shall not exceed 25% of the total number of shares held by that individual. The shares of the Bank held by the aforementioned persons shall not be transferred within 1 year from the date of initial listing and trading on a stock exchange. The aforementioned persons shall not transfer shares of the Bank held by them within six (6) months after they cease to be employed. If the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed have restrictions on transfers of overseas-listed foreign shares, those provision(s) shall prevail. 	Directors, supervisors and the members of senior management shall, during their term of office, regularly inform the Bank about their holdings of the shares (including preference shares) in the Bank and any changes in their shareholding. During the term of office of the aforementioned persons, the shares transferred each year shall not exceed 25% of the total number of shares held by that individual. The shares of the Bank held by the aforementioned persons shall not be transferred within 1 year from the date of initial listing and trading on a stock exchange. The aforementioned persons shall not transfer shares of the Bank held by them within six (6) months after they cease to be employed. If the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed have restrictions on transfers of overseas-listed foreign shares, those

Existing Articles	Amended Articles
Chapter 4 Shares Certificate and Share Register	Chapter 4 Shares Certificate and Share Register
Article 46 The Bank shall keep a complete register of shareholders.	Article 46 The Bank shall keep a complete register of shareholders.
The register of shareholders shall comprise the following parts:	The register of shareholders shall comprise the following parts:
(1) the register kept at the Bank's domicile, apart from those mentioned under items (2) and (3) of this Article;	(1) the register kept at the Bank's domicile, apart from those mentioned under items (2), and(3) and (4) of this Article;;
 (2) the registers of shareholders of the overseas-listed shares kept at the location(s) of the stock exchange(s) on which the shares are listed; and (3) any other register of shareholders kept 	(2) the registers of shareholders of the overseas-listed shares kept at the location(s) of the stock exchange(s) on which the shares are listed; and
at such other places as the Board of Directors deems necessary for the purpose of listing the shares of the Bank.	(3) any other register of shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares of the Bank <u>; and</u>
	(4) the register of preference shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the Bank's preference shares.
Chapter 5 Shareholders and Shareholders' General Meetings	Chapter 5 Shareholders and Shareholders' General Meetings
Section 1 Shareholders	Section 1 Shareholders
Article 55 Shareholders of the Bank shall enjoy the following rights:	Article 55 Shareholders of the Bank shall enjoy the following rights (where these Articles provide otherwise in relation to the rights of preference shareholders, such provisions shall prevail):
Article 60 A shareholder of the Bank shall have the following obligations:	Article 60 A shareholder of the Bank shall have the following obligations (where these Articles provide otherwise in relation to the obligations of preference shareholders, such provisions shall prevail):

Existing Articles	Amended Articles
Section 2 General Provisions on	Section 2 General Provisions on
Shareholders' General Meetings	Shareholders' General Meetings
Article 67 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:	Article 67 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:
 (17) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Articles. 	 (17) to decide on the issuance of preference shares; to decide or authorize the Board of Directors to decide any matters in relation to the preference shares issued by the Bank, including but not limited to redemption, conversion and payment of dividends; and (17)(18) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.
Section 3 The Convening of	Section 3 The Convening of
Shareholders' General Meetings	Shareholders' General Meetings
Article 75 When the Requesting	Article 75 When the Requesting
Shareholders request to convene an	Shareholders request to convene an
extraordinary general meeting, they shall	extraordinary general meeting, they shall
act in compliance with the following	act in compliance with the following
procedures:	procedures:
If the Board of Supervisors fails to issue	If the Board of Supervisors fails to issue
notice of the shareholders' general meeting	notice of the shareholders' general meeting
within the prescribed period, it shall be	within the prescribed period, it shall be
deemed to have failed to convene and	deemed to have failed to convene and
preside over the extraordinary general	preside over the extraordinary general
meeting, and the Requesting Shareholders	meeting, and the Requesting Shareholders
who individually or in aggregate holding	who individually or in aggregate holding
10% or more of the Bank's shares for at	10% or more of the Bank's total voting
least 90 consecutive days may convene and	shares for at least 90 consecutive days may
preside over the meeting.	convene and preside over the meeting.

Existing Articles	Amended Articles
Article 76 If either the Board of Supervisors or shareholders propose to convene a shareholders' general meeting on their own initiatives, they shall notify the Board of Directors in writing and file with local offices of the banking regulatory authority and the securities regulatory authority of the State Council, the stock exchange and other relevant regulatory authorities, and then issue a notice of convening the extraordinary general meeting. The notice shall be subject to the following requirements:	Article 76 If either the Board of Supervisors or shareholders propose to convene a shareholders' general meeting on their own initiatives, they shall notify the Board of Directors in writing and file with local offices of the banking regulatory authority and the securities regulatory authority of the State Council, the stock exchange and other relevant regulatory authorities, and then issue a notice of convening the extraordinary general meeting. The notice shall be subject to the following requirements:
(1) no additional content shall be allowed in the proposal, otherwise the Requesting Shareholders shall make another proposal to the Board of Directors to convene a shareholders' general meeting according to the above procedures; and	(1) no additional content shall be allowed in the proposal, otherwise the Requesting Shareholders shall make another proposal to the Board of Directors to convene a shareholders' general meeting according to the above procedures; and
(2) the meeting shall be held in the place in which the Bank is operating.	(2) the meeting shall be held in the place in which the Bank is operating.
The shareholding proportion of the Requesting Shareholders before the resolution of the shareholders' general meeting shall not be less than 10%.	The shareholding proportion of the Requesting Shareholders before the resolution of the shareholders' general meeting shall not be less than 10% of the total voting shares.
Section 4 Proposals and Notice of Shareholders' General Meetings	Section 4 Proposals and Notice of Shareholders' General Meetings
Article 81 When the Bank is to convene a shareholders' general meeting, a written notice stipulating the matters to be considered and the venue, date and time of the meeting shall be sent to all registered shareholders 45 (by way of announcement) days before the shareholders' general meeting. Shareholders who wish to attend the shareholders' general meeting shall provide a written reply of attendance to the Bank 20 days before the shareholders' general.	Article 81 When the Bank is to convene a shareholders' general meeting, a written notice stipulating the matters to be considered and the venue, date and time of the meeting shall be sent to <u>the</u> registered shareholders <u>who are entitled to attend</u> <u>the shareholders' general meeting</u> 45 days before the shareholders' general meeting shall provide a written reply of attendance to the Bank 20 days before the shareholders' general.

Existing Articles	Amended Articles
Article 82 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received 20 days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders within 5 days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.	Article 82 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received 20 days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders <u>who are entitled</u> <u>to attend the shareholders' general</u> <u>meeting</u> within 5 days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.
Article 86 Unless otherwise provided by these Articles, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all shareholders (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For holders of A shares, the notice of a shareholders' general meeting may be in form of an announcement.	Article 86 Unless otherwise provided by these Articles, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to <u>the</u> shareholders <u>who</u> <u>are entitled to attend the shareholders'</u> <u>general meeting</u> (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For holders of A shares, the notice of a shareholders' general meeting may be in form of an announcement.

Existing Articles	Amended Articles
Section 5 The Holding of Shareholders'	Section 5 The Holding of Shareholders'
General Meetings	General Meetings
Article 89 All shareholders whose names appear on the register of shareholders on the shareholding registration date or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and these Articles	Article 89 All shareholders (including preference shareholders with restored voting rights) whose names appear on the register of shareholders on the shareholding registration date or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and these Articles
Article 100 Minutes shall be recorded for	Article 100 Minutes shall be recorded for
the shareholders' general meeting, and the	the shareholders' general meeting, and the
secretary to the Board of Directors shall be	secretary to the Board of Directors shall be
in charge of recording the minutes. The	in charge of recording the minutes. The
minutes shall contain the following	minutes shall contain the following
information:	information:
(1) the time, venue, and agenda of the meeting, as well as the name (or corporate name) of the convener;	(1) the time, venue, and agenda of the meeting, as well as the name (or corporate name) of the convener;
(2) the name of the chairman of the	(2) the name of the chairman of the
meeting, and the directors, supervisors,	meeting, and the directors, supervisors,
president and other members of senior	president and other members of senior
management who attend or observe the	management who attend or observe the
meeting;	meeting;
(3) the number of shareholders and proxies	(3) the number of shareholders and proxies
present at the meeting, the total number of	present at the meeting, the total number of
shares with voting rights held by them,	shares with voting rights held by them,
and the percentage in relation to the total	and the percentage in relation to the total
number of the Bank's shares;	number of the Bank's <u>voting</u> shares;
(4) the deliberation process for each resolution, key points of speeches made and voting outcome;	(4) the deliberation process for each resolution, key points of speeches made and voting outcome;
(5) any enquiries or suggestions made by	(5) any enquiries or suggestions made by
shareholders and the corresponding	shareholders and the corresponding
explanation or response;	explanation or response;

Existing Articles	Amended Articles
(6) the name of the lawyer, vote counter and scrutineer; and	(6) the name of the lawyer, vote counter and scrutineer; and
(7) any other matters required by the shareholders' general meeting and the provisions of these Articles to be recorded in the minutes.	(7) any other matters required by the shareholders' general meeting and the provisions of these Articles to be recorded in the minutes.
Chapter 7 Board of Directors	Chapter 7 Board of Directors
Section 2 Independent Directors	Section 2 Independent Directors
Article 145 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters:	Article 145 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters:
(9) any other matters as required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.	(9) the effect of the issuance of preference shares on the rights and interests of every class of shareholders; and
Independent directors shall give opinion on the above mentioned matters in one of the following manner: agree; qualified opinions and the reasons thereof; disagree and the reasons thereof; unable to give	(9)(10) any other matters as required by the laws, administrative regulations, departmental rules, regulatory documents and these Articles.
opinion and the obstacles thereof.	Independent directors shall give opinion on the above mentioned matters in one of the following manner: agree; qualified opinions and the reasons thereof; disagree and the reasons thereof; unable to give opinion and the obstacles thereof.

Existing Articles	Amended Articles
Chapter 11 Financial Accounting System, Profit Distribution Plans and Audit	Chapter 11 Financial Accounting System, Profit Distribution Plans and Audit
Section 1 Financial Accounting System	Section 1 Financial Accounting System
Article 261 The after-tax profit of the Bank for the year shall be distributed in the following order of priority:	Article 261 The after-tax profit of the Bank for the year shall be distributed in the following order of priority:
(1) to make up for the losses of previous years;	(1) to make up for the losses of previous years;
(2) to set aside ten percent as statutory reserve fund;	(2) to set aside ten percent 10% as statutory reserve fund;
(3) to set aside general reserve;	(3) to set aside general reserve;
(4) to set aside discretionary reserve fund; and	(4) to pay dividends to preference shareholders;
(5) to pay dividends to shareholders.No further contribution may be required	(4) (5) to set aside discretionary reserve fund; and
when the accumulated amount of statutory reserve funds of the Bank reaches 50% of its registered capital. The Bank shall not	(5) (6) to pay dividends to ordinary shareholders.
distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.	No further contribution may be required when the accumulated amount of statutory reserve funds of the Bank reaches 50% of its registered capital. The Bank shall not distribute profits to shareholders before
After the Bank has set aside statutory reserve fund and general reserve from the after-tax profits, the Bank, subject to the	making up losses and setting aside statutory reserve funds and general reserves.
approval of the shareholders' general meeting, may make allocation to the discretionary reserve fund from the after- tax profits. The balance of the after-tax profits of the Bank after making up losses and setting aside statutory reserve fund, general reserve and discretionary reserve fund may be distributed to the shareholders in pro rata to their shareholding.	After the Bank has set aside statutory reserve fund and general reserve <u>and paid</u> <u>dividends to preference shareholders</u> from the after-tax profits, the Bank, subject to the approval of the shareholders' general meeting, may make allocation to the discretionary reserve fund from the after-tax profits. The balance of the after- tax profits of the Bank after making up
Where the shareholders' general meeting distributes profits to shareholders before the Bank's making up losses and setting aside statutory reserve funds and violates the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.	losses-and, setting aside statutory reserve fund <u>and</u> , general reserve, <u>paying</u> <u>dividends to preference shareholders</u> and <u>setting aside</u> discretionary reserve fund may be distributed to the shareholders in pro rata to their shareholding.
Shares held by the Bank shall not	

participate in the distribution of profits.

Existing Articles	Amended Articles
	Amended ArticlesIn general, no dividend shall be paid to shareholders for any year in which the Bank's capital adequacy ratio is lower than the minimum standard required by the regulatory authorities of the PRC. On the premises of ensuring that the capital adequacy ratio meets the regulatory requirements, the Bank may distribute profits if its profits realized in each year, after making up losses, setting aside statutory reserves and general reserve, and paying dividends to preference shareholders according to law, remain positive and distributable.The payment of dividends on preference shares should be subject to laws, regulations, department rules, relevant provisions of the securities regulatory authorities where the Bank's shares are listed and the preference shares are issued or listed, and these Articles.Where the shareholders' general meeting distributes profits to shareholders before the Bank's making up losses and setting aside statutory reserve funds and violates the foregoing provisions, the shareholders
	concerned must return to the Bank the profits distributed in violation of the provisions. Shares held by the Bank shall not
	participate in the distribution of profits.

Existing Articles	Amended Articles
Article 265 The profit distribution policy of the Bank is set out as below:	Article 265 The profit distribution policy of the Bank <u>in respect of ordinary</u> shareholders is set out as below:
 of the Bank is set out as below: (1) the Bank shall implement consistent and stable profit distribution policy that gives priority to investors' reasonable investment returns with a view to the Bank's sustainable development. The Bank shall give preference to cash dividend distribution on the premise of ensuring sustaining profitability and compliance with regulatory requirements as well as the normal operation and long-term development of the Bank. (2) The details of the profit distribution policy are as follows: (i) Forms and interval of profit distribution: The Bank shall distribute profits on a pro rata basis based on the shareholdings of shareholders, and may make dividend distributions either in cash or shares or in a combination of both. If the Bank reaches the conditions for cash dividends, it shall give preference to profit distribution in the form of cash dividends. The Bank shall, in principle, distribute profits once a year. Where conditions allow, the Bank may distribute interim dividends. 	 shareholders is set out as below: (1) the Bank shall implement consistent and stable profit distribution policy that gives priority to investors' reasonable investment returns with a view to the Bank's sustainable development. The Bank shall give preference to cash dividend distribution on the premise of ensuring sustaining profitability and compliance with regulatory requirements as well as the normal operation and long-term development of the Bank. No profit shall be distributed to ordinary shareholders before the agreed dividends have been fully paid to preference shareholders. (2) The details of the profit distribution policy are as follows: (i) Forms and interval of profit distribution: The Bank shall distribute profits on a pro rata basis based on the shareholdings of shareholders, and may make dividend distributions either in cash or shares or in a combination of both. If the Bank reaches the conditions for cash dividends, it shall give preference to profit distribution in the form of cash dividends.
	The Bank shall, in principle, distribute profits once a year. Where conditions allow, the Bank may distribute interim dividends.

Existing Articles	Amended Articles
 (ii) Conditions for and ratio of cash dividend distribution: In general, no cash dividends shall be paid to the shareholders for any year in which the Bank's capital adequacy ratio falls below the minimum standard required by the regulatory authorities of the PRC. Provided that the capital adequacy ratio meets the regulatory requirements, the Bank may pay cash dividends for each of the years with realized profits which, after recovery of losses and withdrawal to the statutory reserve fund and general reserve in accordance with applicable laws, remain positive and distributable. The profit to be distributed by the Bank in cash each year shall be no less than 20% of the distributable profits of the Bank for the year. The specific ratio of cash dividend distribution each year shall be set by the Bank in accordance with the requirements of the relevant laws, regulations, regulatory documents and these Articles and based on its business operations, and then shall be considered and approved at the general meetings of the Bank. (iii) Conditions for distribution of share dividends by the Bank: Where the operating income of the Bank grows rapidly and the Board of Directors considers that the share price of the Bank does not reflect its share capital scale, the Bank may propose and execute a share dividend stribution proposal in addition to the aforesaid distribution of cash dividends. 	 (ii) Conditions for and ratio of cash dividend distribution: In general, no cash dividends shall be paid to the shareholders for any year in which the Bank's capital adequacy ratio falls below the minimum standard required by the regulatory authorities of the PRC. Provided that the capital adequacy ratio meets the regulatory requirements, the Bank may pay cash dividends for each of the years with realized profits which, after recovery of losses and withdrawal to the statutory reserve fund and general reserve as well as payment of dividends to preference shareholders in accordance with applicable laws, remain positive and distributable. The profit distribution to ordinary shareholders in the form of cash dividends by the Bank each year shall be no less than 20% of the distributable profits attributable to ordinary shareholders of the year. The specific ratio of cash dividend distribution each year shall be set by the Bank in accordance with the requirements of the relevant laws, regulations, regulatory documents and these Articles and based on its business operations, and then shall be considered and approved at the general meetings of the Bank grows rapidly and the Board of Directors considers that the share price of the Bank does not reflect its share capital scale, the Bank may propose and execute a share dividends.

Existing Articles	Amended Articles
(iv) The Board of Directors of the Bank	(iv) The Board of Directors of the Bank
shall take into full account various factors,	shall take into full account various factors,
including features of the industries where	including features of the industries where
the Bank operates, the stage of its	the Bank operates, the stage of its
development, its own business model,	development, its own business model,
profitability and whether there are	profitability and whether there are
significant capital expenditure	significant capital expenditure
arrangements, to distinguish the following	arrangements, to distinguish the following
situations from each other and put forward	situations from each other and put forward
differentiated cash dividend policies in	differentiated cash dividend policies in
accordance with the procedures provided	accordance with the procedures provided
under these Articles:	under these Articles:
i) if the Bank is at the mature stage of	i) if the Bank is at the mature stage of
development and has no significant capital	development and has no significant capital
expenditure arrangement, the proportion of	expenditure arrangement, the proportion of
cash dividends in the distributable profits	cash dividends in the distributable profits
shall be at least 80% when making profit	shall be at least 80% when making profit
distribution;	distribution;
ii) if the Bank is at the mature stage of	ii) if the Bank is at the mature stage of
development and has significant capital	development and has significant capital
expenditure arrangements, the proportion	expenditure arrangements, the proportion
of cash dividends in the distributable	of cash dividends in the distributable
profits shall be at least 40% when making	profits shall be at least 40% when making
profit distribution;	profit distribution;
iii) if the Bank is at the growing stage of	iii) if the Bank is at the growing stage of
development and has significant capital	development and has significant capital
expenditure arrangements, the proportion	expenditure arrangements, the proportion
of cash dividends in the distributable	of cash dividends in the distributable
profits shall be at least 20% when making	profits shall be at least 20% when making
profit distribution;	profit distribution;
If it is difficult to distinguish the Bank's	If it is difficult to distinguish the Bank's
stage of development and the Bank has	stage of development and the Bank has
significant capital expenditure	significant capital expenditure
arrangements, the profit distribution may	arrangements, the profit distribution may
be dealt with pursuant to the preceding	be dealt with pursuant to the preceding
paragraph.	paragraph.

Existing Articles	Amended Articles
(3) Decision-making procedures for profit distribution:	(3) Decision-making procedures for profit distribution:
(i) When determining a profit distribution plan, the Board of Directors of the Bank shall seriously study and discuss, among others, the timing, conditions and minimum ratio of cash dividend distribution, the conditions for adjustments and the requirements of the procedures for decision-making. The independent directors shall issue specific opinions thereon. The independent directors may solicit opinions from the minority shareholders, devise a dividend distribution proposal accordingly and submit it directly to the Board of Directors for consideration. Prior to the consideration of the specific cash dividend distribution plan by the shareholders at a general meeting, the Bank shall communicate and exchange ideas with shareholders through multiple channels, attentively obtain the opinions and requests of the minority shareholders and give timely response to the issues that concern them. The Board of Supervisors of the Bank shall supervise the formulation and decision-making by the Board of Directors of the profit distribution plan of the Bank.	(i) When determining a profit distribution plan, the Board of Directors of the Bank shall seriously study and discuss, among others, the timing, conditions and minimum ratio of cash dividend distribution, the conditions for adjustments and the requirements of the procedures for decision-making. The independent directors shall issue specific opinions thereon. The independent directors may solicit opinions from the minority shareholders, devise a dividend distribution proposal accordingly and submit it directly to the Board of Directors for consideration. Prior to the consideration of the specific cash dividend distribution plan by the shareholders at a general meeting, the Bank shall communicate and exchange ideas with shareholders especially the minority shareholders through multiple channels, attentively obtain the opinions and requests of the minority shareholders and give timely response to the issues that concern them. The Board of Supervisors of the Bank shall supervise the formulation and decision-making by the Board of Directors of the profit distribution plan of the Bank.
(ii) Where the Bank reaches conditions for cash dividend distribution but has not prepared any cash dividend plan, or the profit to be distributed by the Bank in cash is less than 20% of the distributable profits of the Bank for the year, the Board of Directors shall explain, among others, the specific reasons for not distributing cash dividends, the exact purpose for and the estimated investment return on the retained profits, and submit such arrangements to the shareholders' general meeting for consideration after independent directors have given their opinions thereon before disclosing the matters in the media designated by the Bank. The Bank shall provide access to online voting for shareholders to vote on such matters.	(ii) Where the Bank reaches conditions for cash dividend distribution but has not prepared any cash dividend plan, or the profit to be distributed <u>to ordinary</u> <u>shareholders</u> by the Bank in cash is less than 20% of the distributable profits <u>attributable to ordinary shareholders of</u> <u>the Bank</u> for the year, the Board of Directors shall explain, among others, the specific reasons for not distributing cash dividends, the exact purpose for and the estimated investment return on the retained profits, and submit such arrangements to the shareholders' general meeting for consideration after independent directors have given their opinions thereon before disclosing the matters in the media designated by the Bank. The Bank shall provide access to online voting for shareholders to vote on such matters.

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Existing Articles	Amended Articles
Chapter 13 Mergers, Division, Increase of Capital, Reduction of Capital, Dissolution and Liquidation	Chapter 13 Mergers, Division, Increase of Capital, Reduction of Capital, Dissolution and Liquidation
Section 2 Dissolution and Liquidation	Section 2 Dissolution and Liquidation
Article 298 The Bank's assets shall be liquidated in the following order after paying off debts:	Article 298 The Bank's assets shall be liquidated in the following order after paying off debts:
The Bank's assets shall not be distributed to shareholders before it is used for settlement of debts in accordance with the provisions of the preceding paragraph. The Bank's remaining assets after settlement of debts in accordance with the provisions of the preceding paragraph shall be distributed to shareholders in proportion to their shareholdings.	The Bank's assets shall not be distributed to shareholders before it is used for settlement of debts in accordance with the provisions of the preceding paragraph. The Bank's remaining assets after settlement of debts in accordance with the provisions of the preceding paragraph shall be distributed to shareholders <u>according to</u> <u>the class of shares and their</u> <u>shareholding ratio</u> .
	<u>Chapter 15 Special Provisions on</u> <u>Preference Shares</u>
	Article 306 Unless otherwise specified in laws, regulations, department rules, regulations of the securities regulatory authority of the locality where the shares of the Bank are listed and this Chapter, the rights and obligations of preference shareholders and management of preference shares shall be governed by the provisions related to ordinary shares (including H shares) in these Articles.
	Article 307 The number of preference shares issued by the Bank shall not exceed 50% of the total number of ordinary shares then issued, and the capital raised from the issuance of preference shares shall not be more than 50% of the net assets of the Bank prior to such issuance (excluding the preference shares that have been redeemed or converted).

Existing Articles	Amended Articles
	Article 308 In accordance with relevant rules on capital regulation of commercial banks, the Bank may establish terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Bank converts the preference shares into ordinary shares in accordance with the conversion price and conversion amount as determined at the time of issuance of the preference shares. In circumstances when the preference shares are mandatorily converted into ordinary shares, the Bank shall report to and seek approval from banking regulatory authorities under the State Council.

Existing Articles	Amended Articles
	Article 309 The preference shares issued by the Bank shall not have any put option, and the preference shareholders shall have no right to require the Bank to redeem preference shares. Subject to the approval of the banking regulatory authorities under the State Council and upon compliance with relevant requirements, the Bank has the right to redeem all or part of the preference shares after the fifth year following the date of the relevant issuance of the preference shares. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares. The Bank shall write down the total amount of outstanding preference shares after the Bank redeems the preference shares.
	The exercise by the Bank of its right to redeem the preference shares shall be subject to the fulfillment of the following conditions:
	(1) the Bank shall use capital instruments of the same or superior quality to replace the preference shares to be redeemed and such replacement shall only be made at a time at which the Bank has a sustainable income generating capability; or
	(2) the capital position of the Bank immediately after redemption of the preference shares will remain significantly higher than the regulatory capital requirements prescribed by the banking regulatory authorities under the State Council.
	The redemption price of offshore preference shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.

Existing Articles	Amended Articles
	Article 310 Preference shareholders of the Bank shall enjoy the following rights:
	(1) to receive distribution of dividends in priority to ordinary shareholders;
	(2) to receive distribution of residual assets of the Bank on liquidation in priority to those of ordinary shareholders;
	(3) upon the occurrence of the circumstances provided in Article 312, to attend and vote at shareholders' general meetings;
	(4) upon the occurrence of the circumstances provided in Article 313, to have its voting rights restored in accordance with the requirements of that Article;
	(5) to make proposals or inquiries in relation to the business operations and activities of the Bank;
	(6) to inspect the Bank's Articles, register of shareholders, record of bondholders, minutes of shareholders' general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors and financial reports; and
	(7) other rights conferred to preference shareholders by laws, regulations, department rules and these Articles.

Existing Articles	Amended Articles
	Article 311 Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares and the amount of shares held by the shareholders in the event of the following:
	(1) a request to convene an extraordinary general meeting;
	(2) convening and presiding over a shareholders' general meeting;
	(3) submitting of a proposal or an interim proposal to a shareholders' general meeting;
	(4) nomination of the directors and supervisors who are not staff representatives of the Bank;
	(5) identifying controlling shareholder(s) according to the relevant provisions of these Articles;
	(6) identifying person(s) restricted from serving as independent directors of the Bank according to the relevant provisions of these Articles;
	(7) identifying the ten largest shareholders of the Bank and the number of shares held by them and the shareholder(s) holding 5% or more of the shares of the Bank in accordance with the Securities Law of the People's Republic of China and relevant regulations; and
	(8) other circumstances provided under laws, regulations, departmental rules and these Articles.

Existing Articles	Amended Articles
	Article 312 The preference shareholders are not entitled to attend any shareholders' general meeting of the Bank nor do the preference shares carry voting rights in any shareholders' general meeting other than in the following circumstances:
	(1) amendments to these Articles that relate to preference shares;
	(2) reduction of the registered capital of the Bank by more than ten percent (10%) on a single or aggregate basis;
	(3) merger, division, dissolution or change of corporate form of the Bank;
	(4) issuance of preference shares by the Bank; and
	(5) other circumstances specified in laws, regulations, departmental rules and these Articles.
	On the occurrence of any of the above matters, the Bank shall notify preference shareholders of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under these Articles. The preference shareholders are entitled to vote at a separate class meeting with respect to the above matters and each preference share shall have one vote, but preference shares held by the Bank do not entitle the Bank to vote.
	Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by preference shareholders present at the meeting (excluding preference
	shareholders with restored voting rights).

Existing Articles	Amended Articles
	Article 313 In the event that the Bank fails to pay the prescribed dividend to the preference shareholders for three financial years in aggregate or two consecutive financial years, the preference shareholders will have the right to attend and vote at the shareholders' general meetings as if they are ordinary shareholders from the day immediately after the shareholders' general meeting resolves that the Bank will not pay the prescribed dividend for the current dividend period. The voting rights of the preference shareholders will remain restored until the Bank pays the current period dividend in full.
	The formula for calculating the voting rights of the offshore preference shares with restored voting rights is as follows: $Q = V/P \times conversion exchange rate,$ with any fractional restored voting right rounded down to the nearest whole number.
	Where: "Q" denotes the H share voting rights restored from the offshore preference shares held by each offshore preference shareholder; "V" denotes the aggregate value of the offshore preference shares with restored voting rights held by each offshore preference shareholder; "P" denotes the conversion
	price, and the initial conversion price is decided by the issuance plan for offshore preference shares passed by shareholders' general meeting and denominated in Hong Kong dollars (which shall be converted with reference to the CNY central parity rate against Hong Kong dollars used by the
	interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day prior to the announcement date of the Board of Directors resolution on the issuance plan for offshore preference shares (rounded up to the nearest 2 decimal places)); and the "conversion
	exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the offshore preference shares are denominated based on the CNY central parity rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the
	announcement of the passing of the Board of Directors' resolution in respect of the issuance plan for offshore preference shares.

Existing Articles	Amended Articles
	Article 314 The dividend rate for the issued and outstanding preference shares of the Bank consists of the benchmark rate and the fixed spread. The dividend rate may be adjusted at different intervals. During a specified period after issuance of the preference shares, the dividend rate will remain the same and during any adjusted dividend rate period, the dividend rate will remain the same.
	Preference shareholders shall rank in priority to the ordinary shareholders in terms of dividend distribution and the preference shares shall be entitled to the dividend rate and distribution of profits in accordance with the agreed terms. Dividends to the preference shareholders shall be payable in cash.
	After receiving the dividends at the prescribed dividend rate, the preference shareholders shall not be entitled to any distribution of residual profits of the Bank together with the ordinary shareholders. In accordance with the relevant rules on capital regulation of commercial banks, the Bank shall have the right to cancel dividends in whole or in part and this will not constitute an event of default. Any amount of dividends unpaid to the preference shareholders in full by the Bank will not be accumulated to the following dividend period.
	In the event of liquidation of the Bank as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Bank after liquidation in accordance with laws, regulations, departmental rules and paragraph (1) to (5) under Article 298 of these Articles shall be distributed first to the preference shareholders. Preference shareholders will be entitled to an amount equal to the aggregate value of the preference shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient remaining assets, the distribution will be made ratably according to the aggregate value of the preference shares held by each offshore
	preference shares held by each offshore preference shareholder as a proportion of the aggregate value of all preference shares of the Bank.

Existing Articles	Amended Articles
Chapter 16 Miscellaneous	Chapter 176 Miscellaneous
Article 307 Interpretation	Article 307316 Interpretation
(1) "Controlling shareholder(s)" herein	(1) "Controlling shareholder(s)" herein
shall refer to the person(s) satisfying any	shall refer to the person(s) satisfying any
of the following conditions:	of the following conditions:
(i) the person may elect more than half of	(i) the person may elect more than half of
the directors when acting alone or in	the directors when acting alone or in
concert with others;	concert with others;
(ii) the person may exercise or control the exercise of more than 30% of the total voting shares of the Bank when acting alone or in concert with others;	(ii) the person may exercise or control the exercise of more than 30% of the total voting shares of the Bank when acting alone or in concert with others;
(iii) the person holds more than 30% of	(iii) the person holds more than 30% of
issued and outstanding shares of the Bank	issued and outstanding shares the total
when acting alone or in concert with	voting shares of the Bank when acting
others; or	alone or in concert with others; or
(iv) the person may de facto control the	(iv) the person may de facto control the
Bank in any other manner when acting	Bank in any other manner when acting
alone or in concert with others.	alone or in concert with others.
The term "acting in concert" herein means	The term "acting in concert" herein means
two or more persons who, by way of	two or more persons who, by way of
agreement (whether verbal or written),	agreement (whether verbal or written),
cooperation or related party relationships	cooperation or related party relationships
or other lawful means, enlarge the	or other lawful means, enlarge the
proportion of the shares in the Bank which	proportion of the shares in the Bank which
are under their control or consolidate their	are under their control or consolidate their
control over the Bank, so that when	control over the Bank, so that when
exercising the voting rights of the Bank,	exercising the voting rights of the Bank,
the same expression of opinions will be	the same expression of opinions will be
made (including joint proposal of motions,	made (including joint proposal of motions,
joint nomination of directors, entrustment	joint nomination of directors, entrustment
of the exercise of voting rights which do	of the exercise of voting rights which do
not state voting intention and other such	not state voting intention and other such
situations, but excluding open proxy	situations, but excluding open proxy
solicitation).	solicitation).
(2) "De facto controller" means a person	(2) "De facto controller" means a person
who, though not a shareholder of the	who, though not a shareholder of the
Bank, is able to get the de facto control of	Bank, is able to get the de facto control of
the Bank through investment relationships,	the Bank through investment relationships,
agreement or other arrangements.	agreement or other arrangements.

Existing Articles	Amended Articles
(3) "Related relation" means the relation between the controlling shareholder, actual controller, directors, supervisors, senior management officers of the Bank and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Bank. However, the relation between fellow State-controlled enterprises shall not be deemed as related relation merely because they are both controlled by the State.	(3) "Related relation" means the relation between the controlling shareholder, actual controller, directors, supervisors, senior management officers of the Bank and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Bank. However, the relation between fellow State-controlled enterprises shall not be deemed as related relation merely because they are both controlled by the State.
(4) "Substantial shareholders" herein means the shareholders who can directly, indirectly, or jointly hold or control more than 5% of the shares or voting rights of the Bank and have a significant impact upon the decision-making of the Bank.	(4) "Substantial shareholders" herein means the shareholders who can directly, indirectly, or jointly hold or control more than 5% of the shares or voting rights of the Bank and have a significant impact upon the decision-making of the Bank.
(5) "Cumulative voting system" means that when electing directors or supervisors at a general meeting, each share shall have the same number of votes as the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be used cumulatively. The Board shall make an announcement to the shareholders concerning the biographies and general information of the candidates for directors and supervisors.	(5) "Cumulative voting system" means that when electing directors or supervisors at a general meeting, each <u>ordinary share</u> (including preference shares with restored voting rights) shall have the same number of votes as the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be used cumulatively. The Board shall make an announcement to the shareholders concerning the biographies and general information of the candidates for directors and supervisors.
	(6) The "total voting shares" herein shall only include the total number of ordinary shares and preference shares with restored voting rights.
	(7) Unless otherwise specified herein, "share(s)", "share certificate(s)" and "H share(s)" in Chapters 3 to 14, Chapter 16 shall refer to ordinary share(s), ordinary share certificate(s) and ordinary H share(s), and "shareholder(s)" shall refer to ordinary shareholder(s). Special matters relating to preference shares are set out congrately in Chapter 15 of these
	separately in Chapter 15 of these Articles.

Note: As a result of addition and deletion of Articles, numbering of the original Articles of the Articles of Association (A Share), and hence those cross-referenced Articles have been adjusted accordingly, which are not showed separately.

AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING (A SHARE) IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING

COMPARISON CHART OF THE AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETINGS OF BANK OF QINGDAO CO., LTD. (A SHARE)

Existing Rules	Amended Rules
Chapter 1 General Provisions	Chapter 1 General Provisions
Rule 4 All holders of the Bank's shares shall be entitled to attend the shareholders' general meetings in person or by proxy and to the rights of shareholders, including the right of information, the right of speaking, the right of enquiry and voting right, in accordance with the laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association as well as the rules stipulated herein.	Rule 4 All holders of the Bank's shares (including preference shareholders with restored voting rights) shall be entitled to attend the shareholders' general meetings in person or by proxy and to the rights of shareholders, including the right of information, the right of speaking, the right of enquiry and voting right, in accordance with the laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association as well as the rules stipulated herein.
Chapter 2 General Provisions of Shareholders' General Meetings	Chapter 2 General Provisions of Shareholders' General Meetings
Rule 8 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:	Rule 8 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:
(17) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Rules.	 (17) to decide on the preference shares offering; to determine or authorize the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption and conversion of shares and distribution of dividends; and (17)(18) to examine other issues which
	(17)(18) to examine other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents and these Rules.

Existing Rules	Amended Rules
Rule 11 An extraordinary general meeting shall be convened within two (2) months from the date of occurrence of any of the following events:	Rule 11 An extraordinary general meeting shall be convened within 2 months from the occurrence of any of the following events:
 (3) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank (the "Requesting Shareholders") have requested to convene the meeting in writing; the shareholding of the Requesting Shareholders shall be calculated on the day on which the shareholders submit a written request to convene the meeting; 	(3) shareholders (including preference shareholders with restored voting rights) who individually or jointly hold more than 10% of the voting shares of the Bank (the "Requesting Shareholders") have requested to convene the meeting in writing; the shareholding of the Requesting Shareholders shall be calculated on the day on which the shareholders submit a written request to convene the meeting;
Chapter 3 The Convening of Shareholders' General Meetings	Chapter 3 The Convening of Shareholders' General Meetings
Rule 16 When the Requesting Shareholders request to convene an extraordinary general meeting, they shall act in compliance with the following procedures:	Rule 16 When the Requesting Shareholders request to convene an extraordinary general meeting, they shall act in compliance with the following procedures:
If the Board of Supervisors fails to issue notice of the shareholders' general meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting, and the Requesting Shareholders who individually or in aggregate holding 10% or more of the Bank's shares for at least ninety (90) consecutive days may convene and preside over the meeting.	If the Board of Supervisors fails to issue notice of the shareholders' general meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting, and the Requesting Shareholders who individually or in aggregate holding 10% or more of the Bank's total voting shares for at least ninety (90) consecutive days may convene and preside over the meeting.

Existing Rules	Amended Rules
Rule 17 If either the Board of Supervisors	Rule 17 If either the Board of Supervisors
or shareholders propose to convene a	or shareholders propose to convene a
shareholders' general meeting on their own	shareholders' general meeting on their own
initiatives, they shall notify the Board of	initiatives, they shall notify the Board of
Directors in writing and file with local	Directors in writing and file with local
offices of the banking regulatory authority	offices of the banking regulatory authority
and the securities regulatory authority of	and the securities regulatory authority of
the State Council, the stock exchange and	the State Council, the stock exchange and
other relevant regulatory authorities, and	other relevant regulatory authorities, and
then issue a notice of convening the	then issue a notice of convening the
extraordinary general meeting. The notice	extraordinary general meeting. The notice
shall be subject to the following	shall be subject to the following
requirements:	requirements:
(1) No additional information may be	(1) No additional information may be
included in the proposal; otherwise the	included in the proposal; otherwise the
Proposing Shareholders shall re-propose	Proposing Shareholders shall re-propose
the request for convening a shareholders'	the request for convening a shareholders'
general meeting according to the aforesaid	general meeting according to the aforesaid
procedures;	procedures;
(2) the meeting shall be held in the place	(2) the meeting shall be held in the place
in which the Bank operates.	in which the Bank operates.
The shareholding proportion of the Proposing Shareholders before adopting any resolution at the shareholders' general meeting shall not be less than 10%. The Board of Supervisors or the Proposing	The shareholding proportion of the Proposing Shareholders before adopting any resolution at the shareholders' general meeting shall not be less than 10% of the total voting shares.
Shareholders shall submit relevant evidentiary materials to local offices of the banking regulatory authority and the securities regulatory authority of the State Council, the stock exchange and other relevant regulatory authorities when issuing the notice of shareholders' general meeting and the announcement on the resolutions passed at the shareholders' general meeting.	The Board of Supervisors or the Proposing Shareholders shall submit relevant evidentiary materials to local offices of the banking regulatory authority and the securities regulatory authority of the State Council, the stock exchange and other relevant regulatory authorities when issuing the notice of shareholders' general meeting and the announcement on the resolutions passed at the shareholders' general meeting.

Existing Rules	Amended Rules
Chapter 4 Proposals and Notices of Shareholders' General Meeting	Chapter 4 Proposals and Notices of Shareholders' General Meeting
Rule 23 When the Bank is to convene a shareholders' general meeting, it shall issue a written notice (by way of announcement) forty-five (45) days prior to the meeting, notifying all the registered shareholders of the matters to be considered at the meeting as well as the date and venue of the meeting. Shareholders who wish to attend the shareholders' general meeting shall provide a written reply of attendance to the Bank twenty (20) days before the shareholders' general.	Rule 23 When the Bank is to convene a shareholders' general meeting, it shall issue a written notice (by way of announcement) forty-five (45) days prior to the meeting, notifying <u>the</u> shareholders <u>entitled to attend the shareholders'</u> <u>general meeting</u> of the matters to be considered at the meeting as well as the date and venue of the meeting. Shareholders who wish to attend the shareholders' general meeting shall provide a written reply of attendance to the Bank twenty (20) days before the shareholders' general meeting is convened.
Rule 24 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received twenty (20) days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders within five (5) days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.	Rule 24 The Bank shall calculate the proportion of voting shares held by shareholders who wish to attend the meeting based on the written replies received twenty (20) days before the shareholders' general meeting that is convened by the Bank. Where the proportion of voting shares held by shareholders who wish to attend the meeting exceeds half of the total voting shares of the Bank, the Bank will convene the shareholders' general meeting. If this threshold is not met, the Bank shall inform the shareholders <u>entitled to attend the</u> <u>meeting</u> within five (5) days via an announcement stipulating the matters to be considered and the venue, date and time of the meeting. Once this announcement is made, the Bank may then proceed to convene the shareholders' general meeting.

Amended Rules
Rule 28 Unless otherwise provided by these rules, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all <u>the</u> shareholders <u>entitled to attend</u> (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For the holders of domestic shares, the notice of a shareholders' general meeting may be issued by way of announcement.
Chapter 5 Holding of the Shareholders' General Meeting
Rule 37 All shareholders whose names appear on the register of shareholders on the shareholding registration date (including preference shareholders with restored voting rights) or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and these Rules.

Existing Rules	Amended Rules
Chapter 6 Voting Procedures and Resolutions of Shareholders' General Meetings	Chapter 6 Voting Procedures and Resolutions of Shareholders' General Meetings
	Rule 52 Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion and the amount held by the shareholders in the following events:
	(1) requesting to convene an extraordinary general meeting;
	(2) convening and presiding over a shareholders' general meeting;
	(3) submitting a proposal or an interim proposal to the shareholders' general meeting;
	(4) nomination of the directors and supervisors who are not staff representatives of the Bank;
	(5) identifying controlling shareholder(s) according to the relevant provisions of these Rules;
	(6) identifying person(s) restricted from serving as independent directors of the Bank according to the relevant provisions of these Rules;
	(7) identifying the ten largest shareholders of the Bank and the number of shares held by them and the shareholder(s) holding five percent (5%) or more of the shares of the Bank in accordance with the Securities Law of the People's Republic of China and relevant regulations; and
	(8) other circumstances provided under laws, regulations, departmental rules and these Rules.

Existing Rules	Amended Rules
	Rule 53 The preference shareholders are not entitled to attend any shareholders' general meeting of the Bank nor do the preference shares carry voting rights in any shareholders' general meeting other than in the following circumstances:
	(1) amendments to these Rules that relate to preference shares;
	(2) reduction of the registered capital of the Bank by more than ten percent (10%) on a single or aggregate basis;
	(3) merger, division, dissolution or change of corporate form of the Bank;
	(4) issuance of preference shares by the Bank; and
	(5) other circumstances specified in laws, regulations, departmental rules and these Rules.
	On the occurrence of any of the above matters, the Bank shall notify preference shareholders of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under these Rules. The preference shareholders are entitled to vote at a separate class meeting with respect to the above matters and each preference share shall have one vote, but preference shares held by the Bank do not entitle the Bank to vote.
	Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by preference shareholders present at the meeting (excluding preference
	shareholders with restored voting rights).

Existing Rules	Amended Rules
Rule 52 A shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares with voting rights held. Each share shall have one (1) vote.	Rule 52 54 A shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares with voting rights held. Each <u>ordinary share</u> (including preference share with restored voting rights) shall have one (1) vote.
Chapter 7 Minutes of Shareholders' General Meetings	Chapter 7 Minutes of Shareholders' General Meetings
Rule 77 Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:	Rule 77 79 Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:
(3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of the Bank's shares;	(3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of the Bank's <u>voting</u> shares;
	<u>Chapter 9 Special Provisions on</u> <u>Preference Shares</u>
	Rule 84 The Bank's preference shareholders shall not attend the shareholders' general meeting and the shares they hold do not have voting rights. On the occurrence of any of the following matters, the Bank shall notify preference shareholders of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under the Company Law and these Rules. When the preference shareholders attend the shareholders' general meeting, they are entitled to vote at a separate class meeting and each preference share shall have one vote (preference shares held by the Bank do not entitle the Bank to vote):
	(1) amendments to these Rules that relate to preference shares;

Existing Rules	Amended Rules
	(2) reduction of the registered capital of the Bank by more than ten percent (10%) on a single or aggregate basis;
	(3) merger, division, dissolution or change of corporate form of the Bank;
	(4) issuance of preference shares by the Bank; and
	(5) other circumstances specified in these <u>Rules.</u>
	Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).
	When the matters specified in item (2) herein were resolved at the shareholders' general meeting, the attendance and voting of ordinary shareholders (including the preference
	shareholders with restored voting rights) and preference shareholders (excluding the preference shareholders with
	restored voting rights) at the meeting shall be counted up, respectively, and announced.

Existing Rules	Amended Rules
	Rule 85 <u>The shareholders' general</u> meeting shall resolve each of the following matters when considering the issuance of preference shares:
	(1) type and number of preference shares to be issued;
	(2) method of issuance, issuance target and placing arrangement for original shareholders;
	(3) nominal value, issuance price or pricing range and principles for price determination;
	(4) methods for preference shareholders to participate in profit distributions, including the yield rate and its determining principles, conditions for dividend distributions, methods of dividend payments, whether or not accumulate dividends and whether or not have the right to participate in distribution of surplus profits;
	(5) terms of repurchase, including conditions, periods, price and its determining principles and entities entitled to exercise the options for repurchase (if any);
	(6) use of proceeds;
	(7) conditional share purchase agreements signed by the Bank and the issuance targets;
	(8) expiry dates of resolutions;
	(9) proposed amendments to provisions of these Rules in relation to the profit distribution policy concerning preference shareholders as well as ordinary shareholders;
	(10) authorizations to the Board for the completion of specific matters related to the proposed issuance;
	(11) Other matters.

AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING (A SHARE) IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING

Existing Rules	Amended Rules
	Rule 86 Where the Bank repurchases its ordinary shares by the public issuance of preference shares and repurchases its ordinary shares from specific shareholders of the Bank by consideration of the non-public issuance of preference shares for the purpose of reducing its registered capital, the resolution regarding the repurchase of ordinary shares in a shareholders' general meeting shall be passed by more than two thirds of the voting rights of the ordinary shareholders present at the shareholders' general meeting (including preference shareholders with restored voting rights).
Chapter 9 Miscellaneous	Chapter 9Chapter 10 Miscellaneous
Rule 84 Unless the context requires otherwise, terms used herein shall have the same meanings as those used in these Rules.	Rule 8487 Unless preference shares referred in the Rules of Procedures, shares and stock referred in the Rules of Procedures herein indicate ordinary shares and stock, and shareholders referred in the Rules of Procedures herein indicates ordinary shareholders. "Total voting shares" referred in the Rules of Procedures shall only include ordinary shares and preference shares with restored voting rights. Unless the context requires otherwise, terms used herein shall have the same meanings as those used in the Articles of Association.

Note: As a result of addition and deletion of Rules, numbering of the original Rules of the Rules of Procedures for the Shareholders' General Meeting (A Share) and hence those cross-referenced Rules have been adjusted accordingly, which are not showed separately.

APPENDIX IX AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS (A SHARE) IN RESPECT OF THE OFFSHORE PREFERENCE SHARE OFFERING

COMPARISON CHART OF THE AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS OF BANK OF QINGDAO CO., LTD. (A SHARE)

Existing Rules	Amended Rules
Chapter 3 Procedures for Convening Meetings of the Board of Directors	Chapter 3 Procedures for Convening Meetings of the Board of Directors
Section 5 Deliberation at Meetings	Section 5 Deliberation at Meetings
Rule 48 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters:	Rule 48 Independent directors shall give objective, impartial and independent opinions on the matters discussed at shareholders' general meetings and Board meetings, and shall in particular give opinions on the following matters:
(9) other issues stipulated by laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association. 	 (9) the effect of the issuance of preference shares on the rights and interests of every class of shareholders; (9) (10) other issues stipulated by laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association.

APPENDIX X

AMENDMENTS TO THE THREE-YEAR DIVIDEND PLAN AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARE OF BANK OF QINGDAO CO., LTD.

COMPARISON CHART OF THE AMENDMENTS TO THE THREE-YEAR DIVIDEND PLAN AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF BANK OF QINGDAO CO., LTD.

Existing Articles of the Plan	Amended Articles of the Plan
III. SPECIFIC DIVIDEND RETURN PLAN	III. SPECIFIC DIVIDEND RETURN PLAN
(I) Sequence of profit distribution	(I) Sequence of profit distribution
When the Bank distributes after-tax profits, it shall allocate 10% of its profits to the statutory reserve. The Bank can no longer allocate to such statutory reserve when the accumulative amount of the statutory reserve of the Bank amounts to more than 50% of the registered capital of the Bank. If the statutory reserve is insufficient to make up for the losses of the preceding years, the profits of the current year shall first be used to make up for such losses before any allocation is made to the statutory reserve.	When the Bank distributes after-tax profits, it shall allocate 10% of its profits to the statutory reserve. The Bank can no longer allocate to such statutory reserve when the accumulative amount of the statutory reserve of the Bank amounts to more than 50% of the registered capital of the Bank. If the statutory reserve is insufficient to make up for the losses of the preceding years, the profits of the current year shall first be used to make up for such losses before any allocation is made to the statutory reserve.
The Bank shall make allocation to its general reserve, the proportion of which shall meet the requirements set out by the competent regulatory authorities. Otherwise, no subsequent allocation shall be made.	The Bank shall make allocation to its general reserve, the proportion of which shall meet the requirements set out by the competent regulatory authorities. Otherwise, no subsequent allocation shall be made.
After an allocation is made out of the after-tax profits to the statutory reserve, the Bank may make allocations out of the after-tax profits to the discretionary reserve after a relevant resolution has been passed at a general meeting. The after-tax profits of the Bank, after being used for making up losses and	After an allocation is made out of the after-tax profits to the statutory reserve, general reserve as well as payment of dividends on preference shares , the Bank may make allocations out of the after-tax profits to the discretionary reserve after a relevant resolution has been passed at a general meeting.
making allocations to the statutory and discretionary reserves, as well as the general reserve, may be distributed as dividends to the Shareholders in proportion to their shareholdings.	The after-tax profits of the Bank, after being used for making up losses and making allocations to the statutory and discretionary reserves, the general reserve <u>as well as payment of dividends on</u> <u>preference shares</u> may be distributed as dividends to the Shareholders in proportion to their shareholdings.
	No profit shall be distributed to ordinary shareholders before the agreed dividends for each year have been fully paid to holders of preference shares.

APPENDIX X

AMENDMENTS TO THE THREE-YEAR DIVIDEND PLAN AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARE OF BANK OF QINGDAO CO., LTD.

Existing Articles of the Plan	Amended Articles of the Plan
(III) Conditions and ratio of cash dividend distribution	(III) Conditions and ratio of cash dividend distribution
In general, no cash dividend shall be paid to Shareholders for any year if the Bank's capital adequacy ratio is lower than the minimum standard required by the regulatory authorities of the PRC. On the premises of ensuring that the capital adequacy ratio meets the regulatory requirements, the Bank may pay cash dividends if its profits realized in each year, after making up any losses and transfer to statutory reserves and general reserve according to law, remain positive and distributable. Any profit to be distributed by the Bank in cash each year shall be no less than 20% of the distributable profits realized by it for that year. The specific ratio of cash dividend distribution each year will be determined by the Bank in accordance with the requirements of the relevant laws, regulations, regulatory documents and the Articles of Association, and based on its business operation, and will be considered and approved at general meetings of the Bank.	In general, no cash dividend shall be paid to Shareholders for any year if the Bank's capital adequacy ratio is lower than the minimum standard required by the regulatory authorities of the PRC. On the premises of ensuring that the capital adequacy ratio meets the regulatory requirements, the Bank may pay cash dividends if its profits realized in each year, after making up any losses and transfer to statutory reserves and general reserve according to law, remain positive and distributable. Any profit to be distributed <u>to ordinary shareholders</u> by the Bank in cash each year shall be no less than 20% of the distributable profits <u>attributable to ordinary shareholders of</u> <u>the Bank</u> realized by it for that year. The specific ratio of cash dividend distribution each year will be determined by the Bank in accordance with the requirements of the relevant laws, regulations, regulatory documents and the Articles of Association, and based on its business operation, and will be considered and approved at general meetings of the Bank.

APPENDIX X

AMENDMENTS TO THE THREE-YEAR DIVIDEND PLAN AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARE OF BANK OF QINGDAO CO., LTD.

Existing Articles of the Plan	Amended Articles of the Plan
IV. DECISION-MAKING AND SUPERVISION MECHANISM OF THE RETURN PLAN	IV. DECISION-MAKING AND SUPERVISION MECHANISM OF THE RETURN PLAN
"" Where the Bank has satisfied conditions for cash dividend distribution but has not prepared any cash dividend plan, or the profit distributed by the Bank in cash is less than 20% of the distributable profits realized by it for that year, the Board shall set out the specific reasons for not distributing cash dividends, the exact purpose for the retained profits and the estimated investment return. The Bank shall submit to the general meeting for consideration after the independent Directors have expressed their opinions, and make disclosure in the designated media by the Bank. The Bank shall provide access to online voting platforms for Shareholders.	Where the Bank has satisfied conditions for cash dividend distribution but has not prepared any cash dividend plan, or the profit distributed <u>to its ordinary</u> <u>shareholders</u> by the Bank in cash is less than 20% of the distributable profits <u>attributable to ordinary shareholders of</u> <u>the Bank</u> realized by it for that year, the Board shall set out the specific reasons for not distributing cash dividends, the exact purpose for the retained profits and the estimated investment return. The Bank shall submit to the general meeting for consideration after the independent Directors have expressed their opinions, and make disclosure in the designated media by the Bank. The Bank shall provide access to online voting platforms for Shareholders.
	VIII. Unless otherwise indicated in the Plan, the terms "shares" and "stock" used herein refer to ordinary shares and stock, and the term "shareholders" used herein refer to ordinary shareholders.

NOTICE OF 2016 ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, 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 notice.



(A joint stock company incorporated in the People's Republic of China with limited liability) (Stock code: 3866)

NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 annual general meeting (the "**2016 AGM**") 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 Thursday, 11 May 2017 for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

- 1. to consider and approve the work report of the board of directors of Bank of Qingdao Co., Ltd. for 2016
- 2. to consider and approve the work report of the board of supervisors of Bank of Qingdao Co., Ltd. for 2016
- 3. to consider and approve the final financial accounts of Bank of Qingdao Co., Ltd. for 2016
- 4. to consider and approve the profit distribution plan of Bank of Qingdao Co., Ltd. for 2016
- 5. to consider and approve the resolution on the engagement of domestic and foreign auditors and their remuneration of Bank of Qingdao Co., Ltd. for 2017
- 6. to consider and approve the resolution on the amendments to the three-year dividend return plan after the initial public offering and listing of the A shares of Bank of Qingdao Co., Ltd.
- 7. to consider and approve the resolution on the amendments to the rules of procedure for the shareholders' general meetings of Bank of Qingdao Co., Ltd.
- 8. to consider and approve the resolution on the amendments to the rules of procedure for the shareholders' general meetings of Bank of Qingdao Co., Ltd. (A shares)
- 9. to consider and approve the resolution on the amendments to the rules of procedure for the board of directors of Bank of Qingdao Co., Ltd.

NOTICE OF 2016 ANNUAL GENERAL MEETING

- 10. to consider and approve the resolution on the amendments to the rules of procedure for the board of directors of Bank of Qingdao Co., Ltd. (A shares)
- 11. to consider and approve the resolution on change of independent non-executive directors of the sixth session of the board of directors of Bank of Qingdao Co., Ltd.
- 12. to consider and approve the special report on related party transactions of Bank of Qingdao Co., Ltd. for 2016

SPECIAL RESOLUTIONS

- 13. to consider and approve the resolution on the extension of the validity period of the plan for the initial public offering and listing of the A shares of Bank of Qingdao Co., Ltd.
- 14. to consider and approve the resolution on the extension of the validity period of the authorisation to deal with specific matters in respect of the initial public offering and listing of the A shares
- 15. to consider and approve the resolution on the amendments to the Articles of Association of Bank of Qingdao Co., Ltd.
- 16. to consider and approve the resolution on the amendments to the Articles of Association of Bank of Qingdao Co., Ltd. (A shares)
- 17. to consider and approve the resolution on the general mandate for the issue of shares by Bank of Qingdao Co., Ltd.

Others

In addition, Shareholders will listen to the Evaluation Report on the Performance of Duties by the Board and Directors of Bank of Qingdao Co., Ltd. for 2016 and the Evaluation Report on the Performance of Duties by Supervisors of the Bank of Qingdao Co., Ltd. for 2016 at the 2016 AGM.

The Bank will despatch the circular of the 2016 AGM to shareholders on or before 20 April 2017.

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

Shandong, PRC, 27 March 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. Du Wenhe, Mr. Wong Tin Yau, Kelvin, Mr. Chen Hua and Ms. Dai Shuping as independent non-executive directors.

* Bank of Qingdao Co., Ltd. is not an 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 2016 ANNUAL 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 meeting 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 2016 AGM

H Shareholders are advised that the share register will be closed from Tuesday, 11 April 2017 to Thursday, 11 May 2017 (both days inclusive). To be eligible for attending and voting at the 2016 AGM, 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 Monday, 10 April 2017. Shareholders whose names appear on the register of members of the Bank at the close of business on Tuesday, 11 April 2017 are entitled to attend and vote at the 2016 AGM. 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 2016 AGM shall be subject to restrictions.

3. Arrangement on dividend distribution

The board of directors of the Bank has recommended the distribution of a final cash dividend of RMB0.20 (inclusive of tax) per share for the year ended 31 December 2016, amounting to a total of RMB811,742,549.80 (inclusive of tax). Subject to approval of the proposal at the 2016 AGM, the dividend will be paid to domestic shareholders and H Shareholders whose names appear on the register of members of the Bank on Monday, 22 May 2017. The proposed dividends payable are denominated in Renminbi, and will be paid to domestic shareholders in Renminbi and H Shareholders in Hong Kong dollars. Calculation of the exchange rate for dividends payable in Hong Kong dollars will be based on the average of central parity rates of Renminbi to Hong Kong dollars of the interbank foreign exchange market as announced by the People's Bank of China on five working days preceding the date of declaration of the dividend at the 2016 AGM (including the day the 2016 AGM will be held).

4. Closure of register of members and eligibility for final dividend distribution

The H share register of the Bank will be closed from Wednesday, 17 May 2017 to Monday, 22 May 2017 (both days inclusive). In order to be entitled to the final dividend distribution, the H Shareholders of the Bank who have not registered are required to deposit the transfer documents together with relevant share certificates at the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 16 May 2017. Shareholders whose names appear on the register of members of the Bank at the close of business on Monday, 22 May 2017 are entitled to the final dividend distribution.

5. Reply slip

Shareholders who intend to attend and vote at the 2016 AGM 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 Friday, 21 April 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)), or the Bank's PRC registered office and principal place of business (for domestic shareholder(s)).

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 2016 AGM does not amount to half of the total number of shares with voting right of the Bank, the 2016 AGM may be adjourned.

6. Proxy

Any shareholder entitled to attend and vote at the 2016 AGM 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 2016 AGM. 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 2016 AGM 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 2016 AGM or at any adjournment if he/she so wishes.

7. Others

- (1) The 2016 AGM 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

NOTICE OF 2017 SECOND H SHARE CLASS MEETING

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(A joint stock company incorporated in the People's Republic of China with limited liability) (Stock code: 3866)

NOTICE OF 2017 SECOND H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2017 second H share class meeting (the "2017 Second H Share Class Meeting") 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") on Thursday, 11 May 2017 (immediately after the 2016 Annual General Meeting and the 2017 Second Domestic Share Class Meeting) for the purposes of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

- 1. to consider and approve the resolution on the extension of the validity period of the plan for the initial public offering and listing of the A shares of Bank of Qingdao Co., Ltd.
- 2. to consider and approve the resolution on the extension of the validity period of the authorisation to deal with specific matters in respect of the initial public offering and listing of the A shares
- 3. to consider and approve the resolution on the amendments to the three-year dividend return plan after the initial public offering and listing of the A shares of Bank of Qingdao Co., Ltd.

The Bank will despatch the circular of the 2017 Second H Share Class Meeting to shareholders on or before 20 April 2017.

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

Shandong, PRC, 27 March 2017

NOTICE OF 2017 SECOND H SHARE CLASS MEETING

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. Du Wenhe, Mr. Wong Tin Yau, Kelvin, Mr. Chen Hua and Ms. Dai Shuping as independent non-executive directors.

^{*} Bank of Qingdao Co., Ltd. is not an 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.

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 meeting 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 H Share Class Meeting

H Shareholders are advised that the share register will be closed from Tuesday, 11 April 2017 to Thursday, 11 May 2017 (both days inclusive). To be eligible for attending and voting at the 2017 Second H Share Class Meeting, 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 Monday, 10 April 2017. H Shareholders whose names appear on the register of members of the Bank at the close of business on Tuesday, 11 April 2017 are entitled to attend and vote at the 2017 Second H Share Class Meeting. 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 H Share Class Meeting shall be subject to restrictions.

3. Reply slip

H Shareholders who intend to attend and vote at the 2017 Second H Share Class Meeting 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 Friday, 21 April 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)).

In the event that H Shareholders do not return the reply slips, and the reply slips state that the number of H Shares with voting right represented by those H Shareholders intending to attend the 2017 Second H Share Class Meeting does not amount to half of the total number of H Shares with voting right of the Bank, the 2017 Second H Share Class Meeting may be adjourned.

4. Proxy

Any shareholder entitled to attend and vote at the 2017 Second H Share Class Meeting 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 H Share Class Meeting. 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 H Share Class Meeting 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 H Share Class Meeting or at any adjournment if he/she so wishes.

NOTICE OF 2017 SECOND H SHARE CLASS MEETING

5. Others

- (1) The 2017 Second H Share Class Meeting 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