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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)

**NEW ISSUE OF
U.S.\$1,203,000,000 5.50% NON-CUMULATIVE PERPETUAL
OFFSHORE PREFERENCE SHARES
(Stock Code: 4611)**

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CITIC CLSA Securities

Haitong International

AMTD

CMB International

CCB International

Deutsche Bank

Joint Bookrunners and Joint Lead Managers

SPDB International

Huarong Financial

Orient Securities (Hong Kong)

**China Industrial Securities
International**

Zhongtai International

CNCB HK Capital

Standard Chartered Bank

China Silk Road International

BOC International

ABC International

UBS

Guotai Junan International

Citi

HSBC

China Securities International

Pursuant to the approvals by the China Banking Regulatory Commission (the “**CBRC**”) and the China Securities Regulatory Commission (the “**CSRC**”) in relation to the offshore preference shares proposed to be issued by Bank of Qingdao Co., Ltd. (the “**Bank**”), the Bank has entered into the subscription agreement on 12 September 2017 with the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers (the “**Subscription Agreement**”) in relation to the issuance of the U.S.\$1,203,000,000 5.50% Non-Cumulative Perpetual Offshore Preference Shares (the “**Offshore Preference Shares**”). The Offshore Preference Shares will have a par value of RMB100 but will be issued as fully paid up in U.S. dollars so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each. The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof. Please refer to the announcement of the Bank dated 12 September 2017 for further details of the Subscription Agreement and the Offshore Preference Shares. Unless the context otherwise defined, the capitalised terms used herein shall have the same meanings as defined in such announcement.

An application has been made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of, and permission to deal in, the Offshore Preference Shares and the H Shares to be issued upon conversion, and such permission is expected to become effective on or about 20 September 2017. The Offshore Preference Shares are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors. There are restrictions on the offer and sale of the Offshore Preference Shares in certain jurisdictions including, but not limited to, the United States, the PRC, Hong Kong, Japan, Singapore, Taiwan and the United Kingdom. The Offshore Preference Shares and the H Shares issuable upon conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H Shares issuable upon conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the U.S. Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S. In addition, the Offshore Preference Shares are not intended to be sold and should not be sold to retail clients in the European Economic Area, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time) other than in circumstances that do not and will not give rise to a contravention of those rules by any person.

The issuance of Offshore Preference Shares has been completed on 19 September 2017. The listing of the Offshore Preference Shares on the Hong Kong Stock Exchange is expected to become effective on 20 September 2017.

The total number of the Offshore Preference Shares to be issued is 60,150,000. Based on the CNY central parity rate published by the China Foreign Exchange Trading Centre on 19 September 2017, the gross proceeds from the offering of the Offshore Preference Shares will be approximately RMB7.88 billion. Subject to applicable laws and regulations and the approvals by the relevant regulatory authorities such as the CBRC and the CSRC, the capital raised from the Offshore Preference Shares issuance, after deduction of the expenses relating to the issuance, will be used to replenish the Bank's Additional Tier 1 Capital.

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

Shandong, PRC, 19 September 2017

As at the date of this announcement, the Board comprises Mr. Guo Shaoquan, Mr. Wang Lin, Mr. Yang Fengjiang and Ms. Lu Lan as executive directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Mr. Wang Jianhui, Ms. Tan Lixia, Mr. Marco Mussita and Mr. Choi Chi Kin, Calvin as non-executive directors; Mr. Wang Zhuquan, Mr. Wong Tin Yau, Kelvin, Mr. Chen Hua, Ms. Dai Shuping and Mr. Simon Cheung as independent non-executive directors.

* *Bank of Qingdao Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*