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錦州銀行股份有限公司
Bank of Jinzhou Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0416)
(Stock Code of Preference Shares: 4615)

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (2) PROPOSED ISSUE OF NEW H SHARES UNDER SPECIFIC MANDATE AND CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (3) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE OFFERING AND THE RELEVANT AUTHORISATION MATTERS;**
- (4) PROPOSED ISSUE OF TIER 2 CAPITAL BONDS;**
- (5) PROPOSED ISSUE OF PERPETUAL CAPITAL BONDS;**
- (6) PROPOSED AMENDMENTS TO (i) THE RULES OF PROCEDURES FOR BOARD MEETINGS; AND (ii) THE ADMINISTRATIVE MEASURES FOR RELATED TRANSACTIONS;**
- (7) CHANGE OF ALTERNATE AUTHORISED REPRESENTATIVE; AND**
- (8) ESTABLISHMENT OF CONSUMER PROTECTION COMMITTEE**

The Board is pleased to announce that, at the meeting of the Board held on 29 March 2018, it has resolved to seek the Shareholders' approval for the following matters:

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the provisions of relevant regulations and guidance, the Bank has proposed certain amendments to the current Articles of Association, details of which has been set out in appendix I to this announcement.

PROPOSED ISSUE OF NEW H SHARES UNDER SPECIFIC MANDATE AND CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION

To further improve the Bank's capital adequacy ratio, enhance its competitiveness and improve its capital structure, the Board proposes to issue, pursuant to a specific mandate to be sought at the AGM and the Class Meetings, not more than 1,000,000,000 New H Shares, representing approximately 14.75% of the total existing issued share capital of the Bank before the issue, and approximately 12.85% of total enlarged issued share capital of the Bank after the issue; and representing approximately 39.72% of the existing issued H Shares before the issue, and approximately 28.43% of the enlarged issued H Shares after the issue (without taking into account of the A Share Offering).

In connection with the proposed New H Share Issue, the Board also proposes to seek the Shareholders' approval for the authorisation to the Board to implement the New H Share Issue under a specific mandate and the consequential amendments to the Articles of Association.

PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE OFFERING AND THE RELEVANT AUTHORISATION MATTERS

The Board further proposes to extend the validity period of the A Share Offering and the relevant authorisation matters by 12 months from the day following the previous expiry date (i.e. 29 June 2018), which has no impact towards the normal progress of the A Share Offering. Other than the above further extension of the validity period of the A Share Offering and the relevant authorisation matters, other details of the proposed A Share Offering remain unchanged and shall continue to have effect.

PROPOSED ISSUE OF TIER 2 CAPITAL BONDS

The Board proposes to issue Tier 2 Capital Bonds in the aggregate principal amount of not more than RMB6 billion with a maturity of not more than 10 years. The Tier 2 Capital Bonds will be issued to members of the inter-bank bond market in the PRC, will be traded and circulated in the national inter-bank bond market according to relevant rules and regulations of the PRC, and will not be listed on the Stock Exchange.

PROPOSED ISSUE OF PERPETUAL CAPITAL BONDS

The Board proposes to issue Perpetual Capital Bonds in the aggregate principal amount of not more than RMB4 billion with no fixed term. The Perpetual Capital Bonds will be issued, in one or more tranches, to members of the inter-bank bond market by way of placing or members of the bond issuance system of PBOC by way of tendering in the PRC, will be traded and circulated according to relevant rules and regulations of the PRC, and will not be listed on the Stock Exchange.

PROPOSED AMENDMENTS TO (i) THE RULES OF PROCEDURES FOR BOARD MEETINGS; AND (ii) THE ADMINISTRATIVE MEASURES FOR RELATED TRANSACTIONS

In accordance with relevant rules, regulations and the Articles of Association and in order to improve the Bank's risk management ability, the Board has proposed to amend the rules of procedures for Board meetings and the administrative measures for related transactions of the Bank. The details of the proposed amendments to the above-mentioned rules of procedures and the administrative measures will be disclosed in the circular which will be despatched to the Shareholders in due course.

CHANGE OF ALTERNATE AUTHORISED REPRESENTATIVE

The Board is also pleased to announce that Mr. Sun Jing has been appointed as the alternate authorised representative of the Bank under the Listing Rules with effect from 29 March 2018.

ESTABLISHMENT OF CONSUMER PROTECTION COMMITTEE

The Board has resolved to establish the Consumer Protection Committee, of which the primary duties are to (i) formulate the strategies, policies and objectives of consumer protection; (ii) urge the senior management of the Bank to effectively implement relevant works and review their periodic reports; (iii) supervise and evaluate the comprehensiveness, timeliness, effectiveness and performance of the Bank's consumer protection work and relevant performance of the Bank's senior management; and (iv) advise the Board on the resolutions in relation to consumer protection to be presented to the Board. The Board has resolved to appoint Ms. Liu Hong as the chairman, and each of Mr. Sun Jing and Ms. Tan Ying as a member of the Consumer Protection Committee.

GENERAL

The Bank will convene the AGM and Class Meetings (where applicable) to seek approval from the Shareholders for the above matters (where applicable).

A circular containing, among other things, details of the above matters will be despatched to the Shareholders in due course.

The proposed New H Share Issue, the A Share Offering and the issue of Tier 2 Capital Bonds and Perpetual Capital Bonds are subject to certain conditions, including but not limited to the market condition, the Shareholders' approval at the AGM and the Class Meetings (where applicable), as well as the approvals of the CBRC, the CSRC and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares or other securities of the Bank.

This announcement is made by the Bank pursuant to the Inside Information (as defined under the Listing Rules) under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

The Board is pleased to announce that, at the meeting of the Board held on 29 March 2018, it has resolved to seek the Shareholders' approval for the following matters:

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the provisions of the Company Law of the PRC, the Constitution of the Communist Party of China (中國共產黨章程), the Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (企業國有資產監督管理暫行條例), the Guidance of the General Office of the State Council on Strengthening the Protecting of the Financial Consumers' Rights (國務院辦公廳關於加強金融消費者權益保護工作的指導意見) and the Guidance of the General Office of the CBRC on Strengthening the Protecting of the Banking Consumer Rights and Addressing the Current Concerns of People (中國銀監會辦公廳關於加強銀行業消費者權益保護解決當前群眾關切問題的指導意見), the general requirements of the party construction and consumer rights protection should be included in the Articles of Association to promote the implementation of such matters. The Bank has proposed certain amendments to the current Articles of Association, details of which has been set out in appendix I to this announcement.

The proposed amendments to the Articles of Association will be subject to the approval of the Shareholders at the AGM by way of special resolution and will be effective upon approvals by the Shareholders and the relevant regulatory authorities.

PROPOSED ISSUE OF NEW H SHARES UNDER SPECIFIC MANDATE AND CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. Proposed plan for the New H Share Issue

The Board proposes to issue, pursuant to a specific mandate to be sought at the AGM and the Class Meetings, not more than 1,000,000,000 New H Shares, representing approximately 14.75% of the total existing issued share capital of the Bank before the issue, and approximately 12.85% of total enlarged issued share capital of the Bank after the issue; and representing approximately 39.72% of the existing issued H Shares before the issue, and approximately 28.43% of the enlarged issued H Shares after the issue (without taking into account of the A Share Offering).

The proposed issue of New H Shares under specific mandate and other related matters below are conditional and subject to (i) obtaining Shareholders' approval as special resolutions at the AGM and the Class Meetings (in respect of this section and section 5 below) and necessary approvals from the CBRC, the CSRC and other relevant regulatory authorities; (ii) the entering into of subscription agreements between the Bank and the investors and such subscription agreements not being terminated in accordance with the terms therein; and (iii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the proposed New H Share Issue.

Details of the proposed New H Share Issue are as follows:

(1). Class of Shares to be issued and nominal value

Ordinary Shares with a nominal value of RMB1.00 each. New H Shares will be listed on the Main Board of Stock Exchange after issuance. Unless otherwise required by the applicable PRC laws and regulations and the Articles of Association, the New H Shares shall rank *pari passu* with the issued Domestic Shares and H Shares.

(2). Method of issuance

Non-public offering, subject to the approval for the listing and trading of the New H Shares from relevant regulatory authorities (including but not limited to CBRC and CSRC) and the Stock Exchange.

(3). Target placees

The New H Shares will be placed to qualified foreign investors (excluding those in respect of which subscription has been prohibited under relevant laws and regulations), who (together with their respective ultimate beneficial owners) are independent third parties and not connected persons (as defined under the Listing Rules) of the Bank or connected persons of the Bank. The Directors currently expect that no shareholder will become substantial shareholder(s) of the Bank upon completion of the New H Share issue. The actual placee(s) will be determined according to the prevailing marketing condition at the time of issue. As at the date of this announcement, the Bank has not identified any placing agent or any placees, and has not entered into any letter of intent or other similar agreements/arrangements in respect of the New H Share Issue. Once the placee(s) is/are confirmed, the Bank will promptly publish an announcement containing the names of the placee(s) if less than six in number, and in the case of six or more placees, a brief generic description of them.

(4). Method of subscription

The New H Shares are to be subscribed by the investors in cash, and issued and allotted in accordance with the terms of the subscription agreements to be entered into between the Bank and the investors.

(5). Size of issuance

Having considered the reasons disclosed in section 2 below, the Board proposed to issue not more than 1,000,000,000 New H Shares, representing approximately 14.75% of the total existing issued share capital of the Bank before the issue, and approximately 12.85% of total enlarged issued share capital of the Bank after the issue; and representing approximately 39.72% of the existing issued H Shares before the issue, and approximately 28.43% of the enlarged issued H Shares after the issue (without taking into account of the A Share Offering). The actual size of issuance will be determined by the two executive Directors (Mr. Zhang Wei and Mr. Wang Jing) or the senior management of the Bank delegated by any of them as authorized by the Shareholders based on the prevailing market conditions at the time of the issuance after negotiation with the lead underwriter(s), but in any event not exceeding 1,000,000,000 New H Shares.

(6). Pricing mechanism

The New H Shares will be issued at a price to be determined by the two executive Directors (Mr. Zhang Wei and Mr. Wang Jing) or the senior management delegated by any of them with reference to the rule of fair trade, the capital market conditions and the stock price of the Bank after negotiation with the lead underwriter(s). In any event, the issue price of New H Shares will not represent a discount of 20% or more to the average closing price of the H Shares as quoted on the Stock Exchange over the last five trading days prior to the date of determining such issue price, and shall comply with the requirements of the relevant PRC and Hong Kong rules and market practice.

(7). Lock-up period

The New H Shares will not be subject to any lock-up period.

(8). Use of proceeds

The proceeds of the proposed New H Share Issue, after deducting relevant expenses, will all be used to replenish the core tier 1 capital of the Bank.

(9). Accumulated profits

Any accumulated profits of the Bank which remain undistributed immediately before the proposed New H Share Issue shall be for the benefit of all the Shareholders (including the subscriber(s) of the New H Shares) as a whole.

(10). Underwriting

The global coordinator(s) and bookrunner(s) will be determined by the two executive Directors (Mr. Zhang Wei and Mr. Wang Jing) within the authorization delegated by the Board and shall procure the subscriber(s) for the New H Shares.

(11). Time of issuance

Bank will select an appropriate time within the validity period of the resolutions to be passed at the AGM and the Class Meetings (where applicable) to implement the New H Share Issue. The New H Share Issue is subject to approval by CBRC, CSRC and the Stock Exchange. The Board and the persons delegated by the Board will determine the actual time of issuance with reference to the domestic and international capital market conditions, as well as the status of review of the Bank's application for the relevant approvals by the PRC and overseas administrative and/or regulatory authorities.

(12). Validity period of the resolutions

The resolutions relating to the New H Share Issue will be valid for 12 months, commencing on the date of passing of the relevant special resolutions at the AGM and the Class Meetings (where applicable). The Board shall propose to the Shareholders' general meeting to consider and approve the extension of the validity period if the New H Share Issue is not completed within such 12-month validity period.

2. Reasons for and benefits of the New H Share Issue

Having considered, among other things, the following reasons for and benefits of the New H Share Issue, the Directors are of the view that the specific mandate to issue New H Shares is in the interests of the Bank and the Shareholders as a whole:

- a. **to improve the Bank's capital adequacy ratios and enhance its competitiveness.** Although the Bank's relevant capital adequacy ratios have met the regulatory requirements in the PRC, the capital adequacy level of the Bank is still relatively low when comparing to the average capital adequacy ratios of the PRC banking industry; and
- b. **to improve the Bank's capital structure.** Affected by the replenished additional tier 1 capital by the proceeds from issue of Offshore Preference Shares by the Bank in 2017, the Bank's core tier 1 capital ratio became lower. As the proceeds from the New H Share Issue will be used to replenish the core tier 1 capital, the Bank's capital structure will be improved towards a healthy and sustainable direction.

3. Effects of the New H Share Issue on the shareholding structure of the Bank

For reference and illustration purposes only, assuming that a total of 1,000,000,000 New H Shares under the New H Share Issue are approved and all of the New H Shares are issued, and there are no changes to the issued share capital of the Bank prior to completion of the New H Share Issue, the shareholding structure of the Bank (i) as at the date of this announcement; (ii) immediately after completion of the New H Share Issue but before completion of the A Share Offering; and (iii) immediately after completion of New H Share Issue and the A Share Offering is set out as follows:

	As at the date of this announcement		Immediately after the completion of the New H Share Issue but before completion of the A Share Offering		Immediately after completion of the New H Share Issue and the A Share Offering	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Domestic Shares ⁽¹⁾	4,264,295,684	62.88	4,264,295,684	54.80	—	—
Non-public holders of A Shares ⁽¹⁾	—	—	—	—	349,027,926	3.60
Public Holders of H Shares and A Shares	2,517,320,000	37.12	3,517,320,000	45.20	9,359,587,758	96.40
<i>H Shares ⁽²⁾</i>						
- H Shares	2,517,320,000	37.12	2,517,320,000	32.35	2,517,320,000	25.93
- New H Shares	—	—	1,000,000,000	12.85	1,000,000,000	10.30
<i>A Shares</i>						
- A Shares to be converted from Domestic Shares and held by public	—	—	—	—	3,915,267,758	40.32
- new A Shares to be issued ⁽²⁾	—	—	—	—	1,927,000,000	19.85
Total	<u>6,781,615,684</u>	<u>100.00</u>	<u>7,781,615,684</u>	<u>100.00</u>	<u>9,708,615,684</u>	<u>100.0</u>

Notes:

- (1) As disclosed in the Bank's interim report for the six month ended 30 June 2017, Directors, supervisors and chief executive of the Bank held a total of 349,027,926 Domestic Shares. To the best of the Directors' knowledge, save for Domestic Shares held by the Directors, the supervisors and the chief executive of the Bank, all other Domestic Shares in issue were held by the public as defined in Rule 8.24 of the Listing Rules as at the date of this announcement. All Domestic Shares in issue will be converted into A Shares upon completion of the A Share Offering.
- (2) To the best of the Directors' knowledge, all new A Shares to be issued under the A Share Offering, all the H Shares in issue and all the New H Shares to be issued under the New H Share Issue will be held by public as defined in Rule 8.24 of the Listing Rules.

4. Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in all the New H Shares on the Stock Exchange, as and when appropriate.

5. Authorization to the Board to Implement the New H Share Issue

The Board will seek the Shareholders' authorization at the AGM and the Class Meetings respectively to authorize the Board and two executive Directors delegated by the Board and the senior management of the Bank delegated by any of them to deal with and complete all the matters in relation to the New H Share Issue with full authority for a term of 12 months following the passing of the relevant resolution(s) at the AGM and the Class Meetings. Such matters include but are not limited to:

- a. be responsible for determining the placee(s) and final issue price, the execution, implementation, modification, supplement and completion of subscription agreements with investors, and the execution, implementation, modification, supplement and completion of any supplemental agreement or other documents (if any) to the subscription agreements;
- b. be responsible for determining the actual size of issuance based on the condition at the time of issue;
- c. be responsible for determining the timing of issuance;
- d. deal with all the relevant approvals, registration, filing, sanction and permission to the relevant PRC and overseas regulatory authorities, institutions and stock exchanges, and obtain from the Stock Exchange the approval for listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the New H Share Issue on the Main Board of the Stock Exchange;
- e. deal with matters relating to appointment and engagement of relevant intermediaries;
- f. approve and authorise the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited to, on behalf of the itself or any other person/institution delegated by it, place, allot and issue New H Shares, and register the placee(s) or HKSCC Nominees Limited as holder(s) of the New H Shares in the H Share register of members of the Bank in Hong Kong;

- g. implement the proposed amendments to the Articles of Association consequential to the New H Share Issue and deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities and other matters during the validity period of the resolutions relating to the New H Share Issue; and
- h. deal with any other matter relating to the issue of the New H Shares.

Upon the authorisation by the Shareholders at the AGM and the Class Meetings as mentioned above, the Board will delegate such authorization to Mr. Zhang Wei (an executive Director and the chairman of the Board) and Mr. Wang Jing (an executive Director) or any senior management of the Bank designated by any of them, severally or jointly, to exercise the authorisation granted by the Shareholders to the Board as mentioned above.

Depending on market conditions, the Board may or may not exercise the proposed specific mandate, if granted, to issue the New H Shares. If the Board proceeds with the New H Share Issue pursuant to the specific mandate, a separate announcement will be made.

6. Proposed consequential amendments to the Articles of Association

Upon completion of the proposed New H Share Issue, the number of H Shares in issue, the registered capital and the capital structure of the Bank will change and therefore consequential amendments to the Articles of Association are necessary. The Board will seek the Shareholders' authorisation at the AGM to authorise the Board to implement the proposed amendments to the Articles of Association consequential to the New H Share Issue and deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities and other matters during the validity period of the resolutions relating to the New H Share Issue. The amendments shall be subject to the approvals of the Shareholders at the AGM and the CBRC, and shall be effective since the completion of the New H Share Issue.

The amendments may involve the following existing articles of the Articles of Association:

Article 25 With the approval of the authority authorized by the State Council, the Bank may issue 6,781,615,684 ordinary shares. The shareholding structure of the Bank is: 6,781,615,684 ordinary shares, among which, 4,264,295,684 are domestic shares, accounting for 62.88% of the total shares of the Bank; 2,517,320,000 are H shares, accounting for 37.12% of the total shares of the Bank.

Article 28 The Bank's registered capital shall be RMB6,781,615,684.

7. Equity fund raising activities in the past 12 months

(i) Issue of Offshore Preference Shares

Pursuant to the approval of the Liaoning Bureau of the CBRC (Liao Yin Jian Fu [2017] No. 133) and the approval of the CSRC (Zheng Jian Xu Ke [2017] No. 1833), the Bank made a non-public issuance of US\$1.496 billion Offshore Preference Shares in the offshore market on 27 October 2017. The Offshore Preference Shares had a par value of RMB100 but were issued as fully paid-up capital in U.S. dollars so that the issuance price of the Offshore Preference Shares was US\$20 each. Such Offshore Preference Shares were listed on the Stock Exchange on 30 October 2017.

Stock Code of Offshore Preference Shares	Issuing Date	Issuing Price (US\$/share)	Initial Annual Dividend Rate (%)	Issue Volume (Share)	Total Issue Amount (US\$)	Listing Date	Approved Number of Offshore Preference Shares for Listing and Dealing (Share)
4615	27 October 2017	20	5.50	74,800,000	1,496,000,000	30 October 2017	74,800,000

Based on the CNY Central Parity Rate published by the China Foreign Exchange Trading Centre on 27 October 2017, the gross proceeds from the issuance of the Offshore Preference Shares were approximately RMB9,944,360,800. Subject to applicable laws and regulations and the approvals by the relevant regulatory authorities such as the Liaoning Bureau of CBRC and the CSRC, the proceeds raised from the Offshore Preference Shares issuance, after deduction of the commissions and expenses relating to the issuance, have all been used to replenish the Bank's additional tier 1 capital as at the date of this announcement.

(ii) Issue of Tier 2 Capital Bonds

On 26 March 2018, with the approvals from the CBRC and the PBOC, the Bank issued tier 2 capital bonds in an aggregate principal amount of RMB4 billion with a term of ten years at a fixed interest rate of 4.90% per annum, payable on an annual basis. Such bonds are redeemable in part or in full at the discretion of the Bank at the end of fifth year upon approval of the relevant regulatory authorities.

As at the date of this announcement, the RMB4 billion proceeds from the issuance of such tier 2 capital bonds, after deduction of the commissions and expenses relating to the issuance, have all been used to replenish the Bank's tier 2 capital.

Save as disclosed above, there has been no other fund raising activity involving the issue of equity securities of the Bank in the 12 months preceding the date of this announcement.

PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE OFFERING AND THE RELEVANT AUTHORISATION MATTERS

Reference is made to the Bank's announcement dated 23 March 2016, the circular dated 13 May 2016 and the poll results announcement dated 29 June 2016 in relation to, inter alia, the approval of the A Share Offering proposal and the authorisation granted to the Board and, with delegation by the Board, the Directors to deal with matters relating to the A Share Offering (collectively known as "**A Share Offering and the Relevant Authorisation Matters**"), as well as the announcement dated 22 March 2017, the circular dated 18 April 2017 and the poll results announcement dated 25 May 2017 in relation to, inter alia, the extension of the validity period of the A Share Offering and the relevant authorisation matters ("**Previous Extension of Validity Period**").

The Previous Extension of Validity Period for 12 months from the day following the original expiry date (i.e. 29 June 2017) was considered and approved at the annual general meeting, the domestic share class meeting and the H share class meeting of the Bank held respectively on 25 May 2017.

Given the Bank's application for the A Share Offering is still in progress, and the above resolutions and authorisation in relation to the A Share Offering and the Relevant Authorisation Matters are about to expire on 29 June 2018, the Board resolved to put forward the proposal to further extend the validity period of the A Share Offering and the Relevant Authorisation Matters by 12 months from the day following the previous expiry date (i.e. 29 June 2018) for consideration and approval

at the AGM and the Class Meetings, which has no impact towards the normal progress of the A Share Offering. Other than the above further extension of the validity period of the A Share Offering and the Relevant Authorisation Matters, other details of the A Share Offering remain unchanged and will continue to be valid.

The above further extension of the validity period of the A Share Offering and the Relevant Authorisation Matters is subject to approval by the relevant Shareholders by way of special resolution at each of the AGM and the Class Meetings.

PROPOSED ISSUE OF TIER 2 CAPITAL BONDS

With the view to further replenish the Bank's tier 2 capital and meet the Bank's ongoing capital adequacy needs, the Board proposes to issue the Tier 2 Capital Bonds in the aggregate principal amount of not more than RMB6 billion. The proposed issue of the Tier 2 Capital Bonds is subject to obtaining Shareholders' approval as special resolutions at the AGM and necessary approvals from the CBRC and other relevant regulatory authorities.

Particulars of the proposed issues of the Tier 2 Capital Bonds are as follows:

Size	:	not more than RMB6 billion (inclusive)
Maturity	:	not more than 10 years (inclusive)
Interest rate	:	a fixed interest rate to be determined by the Bank and the principal underwriter(s) based on the prevailing market conditions at the time of the issue
Use of proceeds	:	to replenish the Bank's tier 2 capital
Target subscribers	:	members of the national inter-bank bond market of the PRC
Term of validity of the resolution	:	24 months, commencing on the date of passing of the relevant special resolution at the AGM
Whether listed on the Stock Exchange	:	will not be listed on the Stock Exchange

It will also be proposed at the AGM that the Board be authorised, for a period of 24 months, to implement the issue of the Tier 2 Capital Bonds (including but not limited to the determination of the bond type, offering time, offering method, offering period,

interest rate, use of proceeds and other terms of the issue), to make necessary adjustments pursuant to the requirement of the relevant regulatory authorities, and to delegate the chairman of the Board or his designated persons to handle the relevant matters regarding the issues of the Tier 2 Capital Bonds, execute relevant documents, appoint relevant professional parties and take any other actions that he/she may deem necessary for the purposes of the issues of the Tier 2 Capital Bonds.

PROPOSED ISSUE OF PERPETUAL CAPITAL BONDS

With the view to enhance the Bank's overall competitiveness and risk resistance capacity, and explore new opportunities of issuance of bonds to replenish capital of banks as provided by the Notice of PBOC on the Issue of Bonds to Replenish Capital by Banking Institutions (2018 No. 3) (中國人民銀行關於銀行金融機構發行資本補充債券的公告(2018年第3號)), the Board proposes to issue the Perpetual Capital Bonds in the aggregate principal amount of not more than RMB4 billion. The proposed issue of the Perpetual Capital Bonds is subject to obtaining Shareholders' approval as special resolutions at the AGM and necessary approvals from the CBRC and other relevant regulatory authorities.

Particulars of the proposed issues of the Perpetual Capital Bonds are as follows:

Size	:	not more than RMB4 billion
Term	:	no fixed term
Interest rate	:	to be determined by the Bank and the principal underwriter(s) based on the prevailing market conditions at the time of the issue
Use of proceeds	:	to replenish the Bank's other tier 1 capital
Target subscribers	:	members of the national inter-bank bond market by way of placing or members of the bond issuance system of PBOC by way of tendering
Term of validity of the resolution	:	24 months, commencing on the date of passing of the relevant special resolution at the AGM
Whether listed on the Stock Exchange	:	will not be listed on the Stock Exchange

It will also be proposed at the AGM that the Board be authorised, for a period of 24 months, to implement the issues of the Perpetual Capital Bonds (including but not limited to the determination of the bond type, offering time, offering method,

offering period, interest rate, use of proceeds and other terms of the issue), to make necessary adjustments pursuant to the requirement of the relevant regulatory authorities, and to delegate the chairman of the Board or his designated persons to handle the relevant matters regarding the issues of the Perpetual Capital Bonds, execute relevant documents, appoint relevant professional parties and take any other actions that he/she may deem necessary for the purposes of the issues of the Perpetual Capital Bonds.

PROPOSED AMENDMENTS TO (i) THE RULES OF PROCEDURES FOR BOARD MEETINGS; AND (ii) THE ADMINISTRATIVE MEASURES FOR RELATED TRANSACTIONS

In accordance with relevant rules, regulations and the Articles of Association and in order to improve the Bank's risk management ability, the Board has proposed to amend (i) the rules of procedures for Board meetings and (ii) the administrative measures for the related transactions of the Bank. The details of the proposed amendments to the above-mentioned rules of procedures and the administrative measures will be disclosed in the circular which will be despatched to the Shareholders in due course.

The above proposed amendments will be subject to the approval of the Shareholders at the AGM by way of ordinary resolutions and will be effective upon approval by the Shareholders.

CHANGE OF ALTERNATE AUTHORISED REPRESENTATIVE

As Ms. Chen Man (陳漫女士), the original alternate authorised representative, has tendered her resignation as the alternate authorised representative of the Bank due to her retirement, the Board is also pleased to announce that Mr. Sun Jing has been appointed as the alternate authorised representative of the Bank under the Listing Rules with effect from 29 March 2018. For the biography of Mr. Sun Jing, please refer to the announcement of the Bank dated 10 November 2017.

The Board would like to take this opportunity to welcome Mr. Sun Jing for his new appointment.

ESTABLISHMENT OF CONSUMER PROTECTION COMMITTEE

With a view to strengthen the protection on consumers of the Bank and to improve the corporate governance structure of the Bank, and in accordance with the Guidance of the General Office of the State Council on Strengthening the Protecting of the Financial Consumers' Rights (國務院辦公廳關於加強金融消費者權益保護工作的指導意見), the Guidance of the General Office of the CBRC on Strengthening the Protecting of the Banking Consumer Rights and Addressing the Current Concerns of People (中國銀監會辦公廳關於加強銀行業消費者權益保護解決當前群眾關切問題的指導意見), the Measure of Appraisal and Evaluation on the Consumer Protection of Banking Financial Institutions (revised edition) (銀行業金融機構消費者權益保護工作考核評價辦法(修訂版)) and the Articles of Association, the Board is pleased to announce that it has resolved to establish the Consumer Protection Committee.

The primary duties of the Consumer Protection Committee are to (i) formulate the strategies, policies and objectives of consumer protection; (ii) urge the senior management of the Bank to effectively implement relevant works and review their periodic reports; (iii) supervise and evaluate the comprehensiveness, timeliness, effectiveness and performance of the Bank's consumer protection work and relevant performance of the Bank's senior management; and (iv) advise the Board on the resolutions in relation to consumer protection to be presented to the Board.

The Board has resolved to appoint Ms. Liu Hong as the chairman, and each of Mr. Sun Jing and Ms. Tan Ying as a member of the Consumer Protection Committee, whose terms of office shall commence on the approval date of the Board meeting till the end of the fifth session of the Board. The Board would like to take this opportunity to welcome Ms. Liu Hong, Mr. Sun Jing and Ms. Tan Ying to their new appointments.

GENERAL

The Bank will convene the AGM and Class Meetings (where applicable) to seek approval from the Shareholders for the above matters (where applicable).

A circular containing, among other things, details of the above matters will be despatched to the Shareholders in due course.

The proposed New H Share Issue, the A Share Offering and the issue of Tier 2 Capital Bonds and Perpetual Capital Bonds are subject to certain conditions, including but not limited to the market condition, the Shareholders' approval at the AGM and the Class Meetings (where applicable), as well as the approvals of the CBRC, the CSRC and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares or other securities of the Bank.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement have the following meanings:

“AGM”	the annual general meeting of the Bank to be held on 29 May 2018 or any adjournment thereof
“Articles of Association”	the articles of association of the Bank
“A Share(s)”	ordinary share(s) proposed to be issued by the Bank pursuant to the A Share Offering and subscribed for in Renminbi
“A Share Offering”	the Bank’s proposed initial public offering of not more than 1,927,000,000 A Shares, which has been approved by the Shareholders on 29 June 2016
“Bank”	Bank of Jinzhou Co., Ltd.* (錦州銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange
“Board”	the fifth session of the board of Directors
“CBRC”	China Banking Regulatory Commission
“Class Meetings”	the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“Consumer Protection Committee”	the consumer protection committee of the fifth session of the Board
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Bank
“Domestic Share(s)”	the ordinary share(s) in the capital of the Bank with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi by PRC nationals and/or PRC corporate entities
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“Domestic Shareholders’ Class Meeting”	the 2018 first class meeting of Domestic Shareholders or any adjourned meeting of the Bank to be held on 29 May 2018 immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later)

“H Share(s)”	overseas-listed foreign investment share(s) in the share capital of the Bank, which is/are listed on the Main Board of the Stock Exchange with a nominal value of RMB1.00 each
“H Shareholders’ Class Meeting”	the 2018 first class meeting of H Shareholders or any adjourned meeting of the Bank to be held on 29 May 2018 immediately after the conclusion of the Domestic Shareholders’ Class Meeting or any adjournment thereof (whichever is the later)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New H Shares”	not more than 1,000,000,000 new H Shares proposed to be issued upon the exercises of a specific mandate to be granted to the Board by the Shareholders at the AGM and the Class Meetings
“New H Share Issue”	the proposed issue of not more than 1,000,000,000 New H Shares
“Offshore Preference Shares”	the US\$1,496,000,000 5.50% non-cumulative perpetual offshore preference shares issued by the Bank on 27 October 2017 (stock code: 4615)
“PBOC”	The People’s Bank of China
“Perpetual Capital Bonds”	the capital bonds with no fixed term in the aggregate principal amount of not more than RMB4 billion that the Board has resolved to issue
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Domestic Share(s) and/or the H Share(s), excluding the Offshore Preference Shares

“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tier 2 Capital Bonds”	the tier 2 capital bonds in the aggregate principal amount of not more than RMB6 billion that the Board has resolved to issue

By order of the Board
Bank of Jinzhou Co., Ltd.*
Zhang Wei
Chairman

Jinzhou, Liaoning Province, the PRC
29 March 2018

As at the date of this announcement, the Board comprises Mr. Zhang Wei, Mr. Huo Lingbo, Ms. Liu Hong, Mr. Wang Jing, Mr. Sun Jing and Ms. Wang Xiaoyu, as executive Directors; Mr. Zhang Caiguang, Ms. Gu Jie, Mr. Wang Jinsong and Ms. Meng Xiao, as non-executive Directors; Mr. Choon Yew Khee, Mr. Lin Yanjun, Mr. Chang Peng’ao, Ms. Peng Taoying and Ms. Tan Ying, as independent non-executive Directors.

** Bank of Jinzhou 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.*

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The English version of this appendix is an unofficial translation of its Chinese version, for reference purpose only. In case of any discrepancies, the Chinese version shall prevail.

The prepared amendments to the Articles of Association are compared against the existing Articles of Association for ease of reference. After addition of the new articles, the articles will be re-numbered accordingly. The following amendments will become effective upon approvals by the Shareholders and relevant regulatory authorities.

Before Amendment	After Amendment
New Article	Article 7 Pursuant to the requirements of the Constitution of the Communist Party of China, the Bank established an organization for the Communist Party. The Party Committee acts as the leadership core and the political core, steering the direction, controlling the overall situation and ensuring the implementation. The Bank has established working organizations for the Party with sufficient people for Party duties, securing work expenditure for the Party.
New Article	Article 47 The Bank’s Party Committee acts as the leadership core and the political core, steering the direction, controlling the overall situation and ensuring the implementation. The number of positions of the Bank’s secretary, deputy secretary and members of the Party Committee and the Disciplinary Committee is set according to the approval from senior Party organizations.
New Article	Article 48 Qualified members of the Party Committee may join the Board, the Board of supervisors and the senior management by statutory procedures. Qualified Party members in the Board, the Board of supervisors and the senior management may join the Party Committees according to the relevant requirements and procedures.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before Amendment	After Amendment
New Article	<p>Article 49 Party Committee of the Bank performs the following duties and responsibilities pursuant to the rules of the Party such as the Constitution of the Communist Party of China:</p> <ul style="list-style-type: none"> (I) guarantee supervision of the consistent implementation of the Party’s direction and policies at the Bank and implementation of the major strategic policies of the Party Central Committee and the State Council and any major deployment in relation to the superior Party organizations; (II) give advices and recommendations on appointment and removal of major personnel; (III) study and discuss on, and advise and give recommendation on the reform and stable development of, and important matters on operation and management of the Bank, as well as the major issues involving the vital interest of staffs; support performance of duties by the general meetings, the Board of Directors, the Board of supervisors and the senior management in accordance with the procedures stipulated in the Articles of Associations; support the workers congress to roll out their work; (IV) take the main responsibility for the comprehensive strengthening of Party discipline, directing ideological and political work, united front work, cultivation of spiritual civilization, cultivation of corporate culture, as well as work of groups such as labour unions and communist youth league; (V) strengthen construction of grassroots Party organizations and team building, giving full play of the role as a bastion of the Party branch while demonstrating as the vanguard and exemplary role of Party members, and leading the reform and development of the Bank through active commitment of the cadres and staffs; (VI) other relevant important issues within the scope of duties of the Party Committees.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before Amendment	After Amendment
<p>Article 165 The Board of Directors shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) convene the shareholders' general meeting and to report to the shareholders' general meeting; (2) implement the resolutions of the shareholders' general meeting; (3) decide the development plan of the Bank; (4) decide the operation plan, investment plan, and major assets disposal plan of the Bank; (5) formulate the annual financial budget plan and final account plan of the Bank; (6) formulate the profit distribution plan and loss make-up plan of the Bank; (7) formulate the plans for the increase or decrease of the registered capitals, the issuance of bonds or other securities and the listing of the Bank; (8) make the plans for major acquisitions of the Bank, the acquisitions of the stock of the Bank or merger, division, dissolution and form change of the Bank; (9) regularly evaluate and improve the Bank's corporate governance; (10) within the authorised range of the shareholders' general meeting, decide the Bank's external investment, acquisition and selling of assets, pledged assets, external guarantee matters, associated/connected transactions and other matters; (11) determine arrangement plans for the Bank's internal management agencies, branches and capacity, and the number of management personnel; (12) according to the nomination of the chairman of Board of Directors, engage or dismiss the president and secretary of the Board of the Bank; upon the nomination of the president, engage or dismiss the vice president, assistant president, financial director and other senior management personnel; (13) decide the remuneration matters and disciplinary matters of senior management personnel; (14) formulate the basic management system, validate work rules for the president; (15) formulate the amendment plan for the Articles of Association; (16) manage the information disclosure matters of the Bank; (17) propose on the engagement or replacement of the accounting firm that audits the Bank to the shareholders' general meeting; (18) listen to the work report of the president of the Bank and check the work of the president; (19) verify the Bank's compliance with the Corporate Governance Code specified in Listing Rules of Hong Kong Stock Exchange and the information disclosed in the Corporate Governance Report; (20) other functions and powers conferred by laws, administrative regulations, departmental rules or the Articles of Association. 	<p>Article 165169 The Board of Directors shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) convene the shareholders' general meeting and to report to the shareholders' general meeting; (2) implement the resolutions of the shareholders' general meeting; (3) decide the development plan of the Bank; (4) decide the operation plan, investment plan, and major assets disposal plan of the Bank; (5) formulate the annual financial budget plan and final account plan of the Bank; (6) formulate the profit distribution plan and loss make-up plan of the Bank; (7) formulate the plans for the increase or decrease of the registered capitals, the issuance of bonds or other securities and the listing of the Bank; (8) make the plans for major acquisitions of the Bank, the acquisitions of the stock of the Bank or merger, division, dissolution and form change of the Bank; (9) regularly evaluate and improve the Bank's corporate governance; (10) within the authorised range of the shareholders' general meeting, decide the Bank's external investment, acquisition and selling of assets, pledged assets, external guarantee matters, associated/connected transactions and other matters; (11) determine arrangement plans for the Bank's internal management agencies, branches and capacity, and the number of management personnel; (12) according to the nomination of the chairman of Board of Directors, engage or dismiss the president and secretary of the Board of the Bank; upon the nomination of the president, engage or dismiss the vice president, assistant president, financial director and other senior management personnel; (13) decide the remuneration matters and disciplinary matters of senior management personnel; (14) formulate the basic management system, validate work rules for the president; (15) formulate the amendment plan for the Articles of Association; (16) manage the information disclosure matters of the Bank; (17) propose on the engagement or replacement of the accounting firm that audits the Bank to the shareholders' general meeting; (18) listen to the work report of the president of the Bank and check the work of the president; (19) verify the Bank's compliance with the Corporate Governance Code specified in Listing Rules of Hong Kong Stock Exchange and the information disclosed in the Corporate Governance Report; (20) other functions and powers conferred by laws, administrative regulations, departmental rules or the Articles of Association. <p>The Board shall consider the opinions of the Party Committee before making decisions on the major issues of the Bank.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before Amendment	After Amendment
<p>Article 184 In order to fully perform duties, the Board of Directors sets up Strategy Committee, Risk Management Committee, Related-party Transaction Control Committee, Audit Committee and Nomination and Remuneration Committee. The number of people for the special committees of the Board is not less than three (3) and the chiefs of the Related-party Transaction Control Committee, Audit Committee and the Nomination and Remuneration Committee shall be acted as by independent Directors. Directors nominated by the controlling shareholders of the Bank shall not become members of the Related-party Transaction Control Committee and the Nomination and Remuneration Committee.</p>	<p>Article 184188 In order to fully perform duties, the Board of Directors sets up Strategy Committee, Risk Management Committee, Related-party Transaction Control Committee, Audit Committee, Nomination and Remuneration Committee, and Consumers' Rights Protection Committee. The number of people for the special committees of the Board is not less than three (3) and the chiefs of the Related-party Transaction Control Committee, Audit Committee and the Nomination and Remuneration Committee shall be acted as by independent Directors. Directors nominated by the controlling shareholders of the Bank shall not become members of the Related-party Transaction Control Committee and the Nomination and Remuneration Committee.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before Amendment	After Amendment
New Article	<p>Article 194 The Consumers’ Rights Protection Committee of the Board of Directors is mainly responsible for the followings:</p> <ol style="list-style-type: none"> (1) formulate the strategies for, policies on and goals of consumers’ rights protection of the Bank and include consumers’ rights protection into corporate governance and business development strategies, and direct the senior management on enhancement, in terms of overall planning, of cultivation of corporate culture in respect of consumers’ rights protection; (2) supervise the senior management on efficient performance and implementation of work relating to consumers’ rights protection, listen, on a regular basis, to special reports by the senior management on the working progress of consumers’ rights protection of the Bank, consider and approve such special reports, submit to the Board such special reports, and disclose information as required; (3) responsible for supervising the work of consumers’ rights protection of the Bank and evaluating the comprehensiveness, timeliness and efficiency of the work, and the performance of the senior management ; (4) consider resolutions on consumers’ rights protection proposed to be submitted to the Board for review, and advise the Board in this respect according to the overall strategies of the Bank; (5) other duties and powers as stipulated by the laws and regulations, the Articles of Associations of the Bank, and as authorized by the Board.