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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)

CHANGE OF AUDITORS

This announcement is made by Bank of Jinzhou Co., Ltd. (the “**Bank**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Listing Rules.

References are made to the announcements of the Bank dated 29 March 2019 (the “**Announcement**”) and 14 May 2019 in relation to, among other things, the delay in publication of the 2018 Annual Results. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

RESIGNATION OF AUDITORS

Ernst & Young Hua Ming LLP and Ernst & Young (collectively, “**EY**”) were appointed as the auditors of the Bank at the last annual general meeting of the Bank held on 29 May 2018 to hold office until the conclusion of the next annual general meeting of the Bank.

On 31 May 2019, the Board and its audit committee (the “**Audit Committee**”) received a letter (the “**Resignation Letter**”) from EY tendering their resignations as the auditors of the Bank (the “**Resignation**”) with immediate effect.

MATTERS TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS

In the Resignation Letter, EY stated that during the performance of the audit of the Bank’s consolidated financial statements for the year ended 31 December 2018, EY noted there are indications that the actual usage of proceeds of certain loans granted by the Bank to its institutional customers were not consistent with the purpose stated in their loan documents. In view of this, EY requested for additional supporting

documents to evidence the customers' ability to service the loans, particularly the collateral that could be enforced, and the actual usage of such loans in order to assess the recoverability of such loans (the "**Outstanding Matters**"). EY has brought the Outstanding Matters to the attention of the management of the Bank and the Audit Committee. However, as at the date of the Resignation Letter, EY and the Bank are unable to reach an agreement on the extent of documents required to address the Outstanding Matters. Accordingly, EY is unable to complete the audit procedures for the year ended 31 December 2018.

In respect of the Outstanding Matters, the Bank reiterates that it has been working closely with EY to provide the required additional information and documents and discussed with EY on various occasions about the proposed solutions to the Outstanding Matters with a view to complete the audit work as soon as possible. However, after numerous discussions and as at the date of this announcement, no consensus was reached between the Bank and EY on the Outstanding Matters and the proposed timetable for the completion of audit.

EY confirmed in the Resignation Letter that, save as disclosed above, there are no other circumstances connected with the Resignation which EY considers should be brought to the attention of the Shareholders or creditors of the Bank in relation to the change of the auditors of the Group.

To the best of the Directors' knowledge, save as disclosed above, there are no other circumstances or matters in connection with the change of the auditors of the Bank that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to EY for its professional services rendered to the Group during the past period.

APPOINTMENT OF NEW AUDITORS

Pursuant to the articles of association of the Bank, the Board may fill the vacancy in the office of the auditors following the Resignation and fix the remuneration of the auditors so appointed.

The Bank is pleased to announce that the Board has decided to appoint Crowe (HK) CPA Limited as the new auditors of the Bank to fill the casual vacancy following the Resignation and to hold the office until the conclusion of the 2018 annual general meeting of the Bank. The official appointment is now subject to the completion of the audit engagement acceptance procedures which are now being conducted.

The Bank will use its best endeavors to assist Crowe (HK) CPA Limited in completing the audit works for the year ended 31 December 2018 and currently expects to publish the 2018 Annual Results by the end of August 2019.

CONTINUED SUSPENSION OF TRADING

At the request of the Bank, trading in the H shares and offshore preference shares of the Bank on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2019. Trading in the H shares and offshore preference shares of the Bank will remain suspended until the publication of the 2018 Annual Results.

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

Jinzhou, Liaoning Province, the PRC

31 May 2019

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; Ms. Gu Jie, Ms. Meng Xiao, Mr. Li Dongjun and Ms. Tang Fang, 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.*