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If you have sold or transferred all your shares in Bank of Jinzhou Co., Ltd.*, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the 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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锦州银行股份有限公司

Bank of Jinzhou Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 0416)

- (1) 2016 ANNUAL REPORT**
- (2) REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2016**
- (3) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2016**
- (4) APPRAISAL REPORT ON DIRECTORS' PERFORMANCE OF DUTIES IN 2016**
- (5) FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2016 AND
FINANCIAL BUDGET PLAN FOR THE YEAR 2017**
- (6) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016**
- (7) CREDIT EXTENSION PLAN FOR RELATED PARTIES FOR THE YEAR 2017**
- (8) RE-APPOINTMENT OF AUDITORS**
- (9) PROPOSED ISSUE OF THE OFFSHORE PREFERENCE SHARES**
- (10) PROPOSAL ON THE AUTHORISATION TO THE BOARD AND ITS
AUTHORISED PERSONS TO DEAL WITH ALL MATTERS RELATING TO THE
ISSUANCE OF THE OFFSHORE PREFERENCE SHARES**
- (11) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (12) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE
OFFERING AND THE RELEVANT AUTHORISATION MATTERS**
- (13) GENERAL MANDATE TO ISSUE NEW SHARES**
- (14) PROPOSED ISSUE OF THE GREEN FINANCIAL BONDS
AND**
- (15) NOTICE OF AGM AND CLASS MEETINGS**

Notices convening the AGM and the Class Meetings to be held at the meeting room of 34th Floor, No.68 Keji Road, Jinzhou City, Liaoning Province, the PRC on Thursday, 25 May 2017 are set out on pages 56 to 68 of this circular. Forms of proxy for use at the AGM and the Class Meetings are also enclosed with this circular. If you intend to attend the AGM and/or the Class Meetings by proxy, you are required to complete and return the enclosed form(s) of proxy in accordance with the instructions printed thereon to the H share registrar of the Bank in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shares), or to the Bank's registered office in the PRC at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC (in respect of Domestic Shares) as soon as possible but in any event by not later than 24 hours before the time appointed for holding of the relevant meeting(s) (i.e. by Wednesday, 24 May 2017 at 9:30 a.m.) or any adjournment thereof. Completion and return of the form(s) of proxy shall not preclude you from attending and voting in person at the relevant meeting(s) or any adjourned meeting(s) should you so wish.

* 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.

18 April 2017

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise.

“2016 Annual Report”	the annual report of the Bank for the financial year ended 31 December 2016 that has been dispatched to the Shareholders
“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 Shareholder on 29 June 2016
“Additional Tier 1 Capital”	has the meaning given to it in the Rules Governing Capital Management of Commercial Banks (Provisional) issued by CBRC on 7 June 2012, which became effective on 1 January 2013
“Administrative Measures on Preference Shares”	the Trial Administrative Measures on Preference Shares (優先股試點管理協法) issued by the CSRC on 21 March 2014
“AGM”	the annual general meeting of the Bank to be held at the meeting room of 34th Floor, No.68 Keji Road, Jinzhou City, Liaoning Province, the PRC at 9:30 a.m. on Thursday, 25 May 2017 or any adjournment thereof
“Articles of Association”	the articles of association of the Bank, as amended from time to time
“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
“Beizhen Deying”	Beizhen Deying Oil Shale Processing Co., Ltd.+ (北鎮德營油母葉岩油有限公司), being an enterprise controlled by Mr. Tian Deying, one of the supervisors of the Bank, and a related party to the Bank
“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission
“Chairman”	the chairman of the Board
“Class Meeting(s)”	the H Shareholders’ Class Meeting and/or the Domestic Shareholders’ Class Meeting (as the case may be)
“CSRC”	China Securities Regulatory Commission

DEFINITIONS

“Director(s)”	the director(s) of the Bank
“Domestic Shareholders’ Class Meeting”	the class meeting of the holders of Domestic Shares to be convened and held on Thursday, 25 May 2017 immediately after the conclusion of the AGM to be held on the same date at the same place or any adjournment thereof
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“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
“H Shareholders’ Class Meeting”	the class meeting of the holders of H Shares to be convened and held on Thursday, 25 May 2017 immediately after the conclusion of the Domestic Shareholders’ Class Meeting to be held on the same date at the same place or any adjournment thereof
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the capital of the Bank with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinlian Holding Group”	Jinlian Holding Group Co., Ltd.+ (錦聯控股集團有限公司), being an enterprise controlled by Mr. Li Dongjun, one of the non-executive Directors, and a related party to the Bank
“Jinzhou Shunda”	Jinzhou Shunda Asphalt Co., Ltd.+ (錦州順達瀝青有限責任公司), being an enterprise controlled by Mr. Tian Deying, one of the supervisors of the Bank, and a related party to the Bank
“Joint Guidance Opinion”	the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier 1 Capital (關於商業銀行發行優先股補充一級資本的指導意見) jointly issued by the CBRC and the CSRC on 3 April 2014
“Latest Practicable Date”	10 April 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Offshore Issuance Plan”	the Plan for the Non-public Issuance of Offshore Preference Shares by the Bank as set out in Appendix I to this circular
“Offshore Preference Shares”	the preference shares of an aggregate amount of not more than RMB10 billion or its equivalent, proposed to be issued by the Bank in the offshore market pursuant to the Offshore Issuance Plan
“Offshore Preference Shareholder(s)”	holder(s) of the Offshore Preference Share(s)
“Ordinary Share(s)” or “Share(s)”	the Domestic Share(s) and the H Share(s)
“Ordinary Shareholder(s)” or “Shareholder(s)”	holder(s) of Ordinary Share(s)
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“State Council Guidance Opinion”	the Guidance Opinion on the Launch of Preference Shares Pilot Scheme (國務院關於開展優先股試點的指點意見) issued by the State Council on 30 November 2013
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For the purpose of this circular, unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB0.889 = HK\$1.00.

+ For identification purposes only

LETTER FROM THE BOARD



锦州银行股份有限公司

Bank of Jinzhou Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 0416)

Executive Directors:

ZHANG Wei
CHEN Man
ZHAO Jie
WANG Jing
WANG Xiaoyu

Registered office:

No. 68 Keji Road
Liaoning Province
The PRC

*Principal place of business
in Hong Kong:*

18/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Non-executive Directors:

LI Dongjun
ZHANG Caiguang
WU Zhengkui
GU Jie

Independent non-executive Directors:

JIANG Daxing
DENG Xiaoyang
NIU Sihu
JIANG Jian
CHOON Yew Khee
LIN Yanjun

18 April 2017

To the Shareholders,

Dear Sir/Madam,

- (1) 2016 ANNUAL REPORT**
- (2) REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2016**
- (3) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2016**
- (4) APPRAISAL REPORT ON DIRECTORS' PERFORMANCE OF DUTIES IN 2016**
- (5) FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2016 AND
FINANCIAL BUDGET PLAN FOR THE YEAR 2017**
- (6) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016**
- (7) CREDIT EXTENSION PLAN FOR RELATED PARTIES FOR THE YEAR 2017**

LETTER FROM THE BOARD

- (8) RE-APPOINTMENT OF AUDITORS**
- (9) PROPOSED ISSUE OF THE OFFSHORE PREFERENCE SHARES**
- (10) PROPOSAL ON THE AUTHORISATION TO THE BOARD AND ITS
AUTHORISED PERSONS TO DEAL WITH ALL MATTERS RELATING TO THE
ISSUANCE OF THE OFFSHORE PREFERENCE SHARES**
- (11) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (12) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE
OFFERING AND THE RELEVANT AUTHORISATION MATTERS**
- (13) GENERAL MANDATE TO ISSUE NEW SHARES**
- (14) PROPOSED ISSUE OF THE GREEN FINANCIAL BONDS
AND**
- (15) NOTICE OF AGM AND CLASS MEETINGS**

INTRODUCTION

The purpose of this circular is to provide you with relevant information to enable you to make informed decision on whether to vote for or against the following resolutions to be proposed at the AGM:

ORDINARY RESOLUTIONS

- (1) 2016 Annual Report;
- (2) Report of the Board for the year 2016;
- (3) Report of the board of supervisors for the year 2016;
- (4) Appraisal report on Directors' performance of duties in 2016;
- (5) Final financial accounts for the year 2016 and financial budget plan for the year 2017;
- (6) Profit distribution plan for the year 2016;
- (7) Credit extension plan for related parties for the year 2017;
- (8) Re-appointment of auditors;

SPECIAL RESOLUTIONS

- (9) Proposed issue of the Offshore Preference Shares;
- (10) Proposal on the authorisation to the Board and its authorised persons to deal with all matters relating to the issuance of the Offshore Preference Shares;

LETTER FROM THE BOARD

- (11) Proposed amendments to the Articles of Association;
- (12) Proposed extension of the validity period of the A Share Offering and the relevant authorisation matters;
- (13) General mandate to issue new Shares; and
- (14) Proposed issue of the Green Financial Bonds.

(1) 2016 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to approve the 2016 Annual Report.

(2) REPORT OF THE BOARD FOR THE YEAR 2016

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year ended 31 December 2016, the text of which is set out in the 2016 Annual Report.

(3) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2016

An ordinary resolution will be proposed at the AGM to approve the report of the board of supervisors for the year ended 31 December 2016, the text of which is set out in the 2016 Annual Report.

(4) APPRAISAL REPORT ON DIRECTORS' PERFORMANCE OF DUTIES IN 2016

In 2016, all Directors faithfully, diligently, and independently performed their duties, actively attended the Shareholders' general meetings, Board meetings and sub-committees' meeting, carefully studied the resolutions, fully expressed their opinions revolving the agenda of the meetings, actively participated in the decision making and played an active role in the development of the Bank. The Board believes that the work of all Directors is active, careful and dutiful.

An ordinary resolution will be proposed at the AGM to approve the appraisal report on Directors' performance of duties in 2016, which will be presented at the AGM.

(5) FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2016 AND FINANCIAL BUDGET PLAN FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to approve the final financial accounts for the year ended 31 December 2016, the text of which is set out in the 2016 Annual Report.

The total budget of operating expenses (net of taxes and surcharges as well as non-business expenditure) for the year 2017 will be expected to be controlled at approximately RMB2.98 billion.

LETTER FROM THE BOARD

(6) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016

On 22 March 2017, the Board resolved to submit to the Shareholders for their consideration and approval a profit distribution plan for the year ended 31 December 2016 as follows:

The Board has proposed the payment of a cash dividend of RMB0.15 (tax inclusive) per Share for the year ended 31 December 2016 in aggregate amount of RMB1,017,242,352.6 (tax inclusive) to all Shareholders. If such proposal is approved at the AGM, the dividend will be distributed to holders of Domestic Shares and holders of H Shares whose names appear on the register of members of the Bank on Friday, 9 June 2017 by the Bank. Such dividend is expected to be paid to Shareholders on or around Monday, 24 July 2017.

Such proposed dividend will be denominated in RMB. Dividends payable to holders of Domestic Shares shall be paid in RMB, whereas dividends payable to holders of H Shares shall be paid in HK\$. The exchange rate of RMB to HK\$ to be adopted shall be the average middle exchange rates of the five business days preceding and including the date of declaration of such dividends at the AGM as announced by the PBOC.

The Board recommends Shareholders to authorise the Board to implement the above profit distribution plan, and authorise the Board to further grant its authority to the Bank's management for implementing all relevant matters relating to the above profit distribution plan, having obtained the above authority.

According to the Enterprise Income Tax Law of the PRC (中國企業所得稅法) and its Regulation on the Implementation effective from 1 January 2008, the Bank shall withhold and pay the enterprise income tax at a rate of 10% for the non-resident enterprise Shareholder whose names appear on the H share register of member of the Bank on Friday, 9 June 2017.

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) (關於國稅發[1993]045號檔廢止後有關個人所得稅徵管問題的通知) (國稅函[2011] 348號), the Bank shall withhold and pay the individual income tax for non-resident individual Shareholder.

For those non-resident individual Shareholders who reside in Hong Kong, the Macau Special Administrative Region of the PRC and other countries or regions that have entered into a taxation treaty with the PRC stipulating a tax rate of 10%, the Bank shall withhold the personal income tax at the rate of 10% for such Shareholders.

For those non-resident individual Shareholders who reside in countries or regions that have entered into a taxation treaty with the PRC stipulating a tax rate of less than 10%, the Bank shall withhold the personal income tax at the rate of 10% for such Shareholders. Should such Shareholders demand that amount in excess of the personal income tax payable under the taxation treaty be refunded, the Bank shall apply for the refund from the relevant inland revenue departments, provided however that such Shareholders have submitted relevant documents in accordance with the

LETTER FROM THE BOARD

requirements of Measures for Non-resident Taxpayers to Benefit from the Taxation Treaties (No. 60 of the Announcement of the State Administration of Taxation for 2015) (非居民納稅人享受稅收協定待遇管理辦法) within a stipulated time frame.

For non-resident individual Shareholders who reside in countries or regions that have entered into a taxation treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Bank shall withhold and pay the personal income tax for such Shareholders at the applicable rate as stipulated in the said taxation treaty.

For non-resident individual Shareholders who reside in countries or regions that have entered into a taxation treaty with the PRC stipulating a tax rate of more than 20% (applicable in the case of distributing cash dividends to the residents thereof) or that have not entered into any taxation treaty with the PRC and otherwise, the Bank shall withhold and pay the personal income tax at a rate of 20% for such Shareholders.

The Bank assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the holders of H Shares or any disputes over the withholding mechanism or arrangements. Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects.

(7) CREDIT EXTENSION PLAN FOR RELATED PARTIES FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to approve the credit extension plan for related parties for the year 2017.

7.1 Information on Related Parties

According to the relevant rules of regulatory authorities including the CBRC and CSRC, an ordinary resolution will be proposed at the AGM to approve the credit extension plan for related parties for the year 2017. The related parties refer to the legal person related parties who are determined by the Related-party Transactions Control Committee under the Board as the Bank's related parties under Jinlian Holding Group, Jinzhou Shunda and Beizhen Deyng in accordance with the relevant laws and regulations.

7.2 Listing Rules Requirements

According to Rule 14A.87(1) of the Listing Rules and as disclosed in the prospectus of the Bank date 24 November 2015, the recurring credit extension for the Bank's related parties and their respective subsidiaries constitute financial assistance provided by the Bank. Since such connected transaction is entered into by the Bank in its ordinary and usual course of business on normal commercial terms or such commercial terms that are more favorable to the Bank, the connected transaction will be exempt from reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

7.3 Transaction Amounts

(1) Credit Extension Plan for Jinlian Holding Group and other 11 related parties

(i) *Related party credit extension balance as of 31 December 2016*

As at the end of 2016, the balance of the credit lines extended by the Bank to Jinlian Holding Group and the other 11 related parties under Jinlian Holding Group amounted to RMB1,871.54 million (excluding lowest risk credit lines as prescribed by the CBRC) in total.

(ii) *Estimate amount of credit extension to related parties in 2017*

Considering that some of the credit lines extended will expire in 2017 and, meanwhile, the Bank will enhance its clearing-up on unused credit lines extended to related parties, the Bank has prudently estimated the amount of credit extension to related parties in 2017. The estimate total amount of credit lines extended to Jinlian Holding Group and the other 11 related parties under Jinlian Holding Group proposed by the Board in 2017 (excluding low risk credit lines as prescribed by the CBRC) shall not exceed the equivalent of RMB2,500 million (including the credit lines which has been approved). Any credit extension transactions beyond such cap shall be reported to the Related-party Transactions Control Committee under the Board and approved by the Board.

(2) Credit Extension Plan for Jinzhou Shunda and Beizhen Deying

(i) *Related party credit extension balance as of 31 December 2016*

As at the end of 2016, the balance of the credit lines extended by the Bank to Jinzhou Shunda and Beizhen Deying amounted to RMB472.59 million (excluding lowest risk credit lines as prescribed by the CBRC) in total.

(ii) *Estimate amount of credit extension to related parties in 2017*

Considering that some of the credit lines extended will expire in 2017 and, meanwhile, the Bank will enhance its clearing-up on unused credit lines extended to related parties, the Bank has prudently estimated the amount of credit extension to related parties in 2017. The estimate total amount of credit lines extended to the related parties under Jinlian Holding Group proposed by the Board in 2017 (excluding low risk credit lines as prescribed by the CBRC) shall not exceed the equivalent of RMB480 million (including the credit lines which has been approved). Any credit extension transactions beyond such cap shall be reported to the Related-party Transactions Control Committee under the Board and approved by the Board.

LETTER FROM THE BOARD

As the Jinlian Holding Group and the other 11 related parties under Jinlian Holding Group were controlled directly or indirectly by Mr. Li Dongjun, as a non-executive Director, Mr. Li has material interest in the relevant credit extension related party transactions and has abstained from voting on the relevant resolution at the Board meeting held on 22 March 2017.

(8) RE-APPOINTMENT OF AUDITORS

The Board has proposed the re-appointment of KPMG as the international and domestic auditors of the Bank until the conclusion of the next annual general meeting to be held in 2018 to provide annual audit and interim external review for the year 2017 in respect of the financial statements of the Bank, and to provide other professional services in accordance with regulatory requirements and needs arising from the Bank's actual business development.

(9) PROPOSED ISSUE OF THE OFFSHORE PREFERENCE SHARES

In order to enhance the overall competitiveness and risk resistance capacity, improve the capital adequacy ratio and core capital adequacy ratio and promote the sustainable development of the Bank, and having been considered and approved at the Board meeting and having been amended by the authorised persons, being the Chairman, the president of the Bank and the secretary to the Board, according to the authorisation of the Board, it is hereby submitted to the AGM and the Class Meetings for the approvals of the Shareholders for a non-public issuance of not more than 100 million Offshore Preference Shares to raise proceeds not exceeding RMB10 billion or its equivalent to replenish the Bank's Additional Tier 1 Capital.

In accordance with the State Council Guidance Opinion and the Joint Guidance Opinion, and with reference to relevant provisions of the Administrative Measures on Preference Shares and other relevant laws, regulations and regulatory documents, the Bank formulated the relevant plan for non-public issuance of the Offshore Preference Shares.

The issuance of the Offshore Preference Shares will be conducted by way of a private placement in accordance with the relevant rules on issuance and the Offshore Preference Shares shall be issued in a single or multiple series in accordance with the relevant procedures after being approved by regulatory authorities. The listing/trading arrangements for the Offshore Preference Shares will be set out in the issuance documents. The Bank shall have the right to mandatorily convert all or part of the Offshore Preference Shares into H Shares on the occurrence of an Additional Tier 1 Capital Trigger Event or a Tier 2 Capital Trigger Event as prescribed in the Offshore Issuance Plan. Please refer to Appendix I to this circular for details on the Offshore Issuance Plan.

As at 31 December 2016, the capital adequacy ratio, tier 1 capital adequacy ratio and core tier 1 capital adequacy ratio of the Bank were 11.62%, 9.80% and 9.79%, respectively. Under the relevant rules and regulations, the Bank is required to meet the minimum capital adequacy ratio, tier 1 capital adequacy ratio and core tier 1 capital adequacy ratio of 10.5%, 8.5% and 7.5%, respectively, by 31 December 2018.

LETTER FROM THE BOARD

To the best of the Bank's knowledge, information and belief, the Offshore Preference Shares will be offered to professional investors only and each of the placees for the Offshore Preference Shares (and its respective ultimate beneficial owners) is not expected to be connected persons (as defined in the Listing Rules) of the Bank. If the Offshore Preference Shares will be issued to any connected persons of the Bank, the Bank will comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

9.1 Impact of the Issuance of the Offshore Preference Shares on the Shareholding Structure of the Bank

Pursuant to the Offshore Issuance Plan, the initial mandatory conversion price of the Offshore Preference Shares shall be the average trading price of the H Shares of the Bank in 20 trading days preceding the announcement date of the passing of the Board resolution in respect of the Offshore Issuance Plan. The average trading price of the H Shares of the Bank in 20 trading days preceding the announcement date of the Board resolution (i.e. 22 March 2017) in respect of the Offshore Preference Share issuance plan = the total trading amount of the Bank's H Shares in these 20 trading days / the total trading volume of the Bank's H Shares in these 20 trading days (i.e. HK\$9.09 per share). The above method for determination of the initial mandatory conversion price of the Offshore Preference Shares does not violate any applicable laws or regulations currently in force.

On the trading day prior to the announcement date of the Board resolution (i.e. 21 March 2017), the closing price of the H Shares was HK\$9.28 and the initial conversion price represents a discount of 2.0% to such price. The average closing price of the H Shares for the five consecutive trading days immediately prior to the announcement date of the Board resolution was HK\$9.21 and the initial conversion price represents a discount of 1.3% to such price. The closing price of the H Shares on the Latest Practicable Date is HK\$8.93 and the initial conversion price represents a premium of 1.8% to such price.

Assuming that an issue size equivalent to RMB10 billion of the Offshore Preference Shares were issued and all the Offshore Preference Shares were subject to conversion, on the basis of the initial mandatory conversion price of HK\$9.09 per share (approximately RMB8.08 per share), the number of H Shares issued upon conversion of the Offshore Preference Shares would not exceed 1,236,898,631 H Shares. As at the Latest Practicable Date, there were 2,517,320,000 H Shares in issue. Assuming that the number of issued H Shares remains as stated above on the date the proposed special resolution regarding the Offshore Issuance Plan is passed at the AGM and the Class Meetings, the maximum number of H Shares may be issued represents (i) 49.1% of the total number of H Shares in issue of the Bank, (ii) 32.9% of the enlarged H share capital of the Bank, and (iii) 18.2% of the current total issued share capital of the Bank.

LETTER FROM THE BOARD

For illustrative purposes only, the table below sets forth the impact on the Bank's share capital structure taking into consideration of the A Share Offering as well as the issuance and conversion of the Offshore Preference Shares and assuming that there are no other changes to the issued share capital of the Bank:

Share Capital	As at the Latest Practicable Date		After issuance of the Offshore Preference Shares but before completion of the A Share Offering ¹		After conversion of all the Offshore Preference Shares but before completion of the A Share Offering		After completion of the A Share Offering but before conversion of all the Offshore Preference Shares ²		After completion of the A Share Offering and conversion of all the Offshore Preference Shares ²	
	Shares	% of share capital	Shares	% of share capital	Shares	% of share capital	Shares	% of share capital	Shares	% of share capital
Domestic Shares / A Shares²	4,264,295,684	62.88	4,264,295,684	62.88	4,264,295,684	53.18	6,191,295,684	71.09	6,191,295,684	62.25
Non-public holders of Domestic Shares / A Shares	348,658,819	5.14	348,658,819	5.14	348,658,819	4.35	348,658,819	4.00	348,658,819	3.51
- Zhang Wei	374,670	0.00552	374,670	0.00552	374,670	0.00467	374,670	0.00430	374,670	0.00377
- Chen Man	374,670	0.00552	374,670	0.00552	374,670	0.00467	374,670	0.00430	374,670	0.00377
- Zhao Jie	119,065	0.00176	119,065	0.00176	119,065	0.00148	119,065	0.00137	119,065	0.00120
- Wang Jing	81,679	0.00120	81,679	0.00120	81,679	0.00102	81,679	0.00094	81,679	0.00082
- Wang Xiaoyu	71,027	0.00105	71,027	0.00105	71,027	0.00089	71,027	0.00082	71,027	0.00071
- Li Dongjun ³	246,686,586	3.63758	246,686,586	3.63758	246,686,586	3.07646	246,686,586	2.83267	246,686,586	2.48038
- Liu Hong	91,541	0.00135	91,541	0.00135	91,541	0.00114	91,541	0.00105	91,541	0.00092
- Xu Fei	70,770	0.00104	70,770	0.00104	70,770	0.00088	70,770	0.00081	70,770	0.00071
- Luo Yan	75,596	0.00111	75,596	0.00111	75,596	0.00094	75,596	0.00087	75,596	0.00076
- Shi Hongmiao	15,257	0.00022	15,257	0.00022	15,257	0.00019	15,257	0.00018	15,257	0.00015
- Li Xiu	55,958	0.00083	55,958	0.00083	55,958	0.00070	55,958	0.00064	55,958	0.00056
- Tian Deying ⁴	100,642,000	1.48404	100,642,000	1.48404	100,642,000	1.25512	100,642,000	1.15566	100,642,000	1.01193
Public holders of Domestic Shares / A Shares ⁵	3,915,636,865	57.74	3,915,636,865	57.74	3,915,636,865	48.83	5,842,636,865	67.09	5,842,636,865	58.74
H Shares⁶	2,517,320,000	37.12	2,517,320,000	37.12	3,754,218,631	46.82	2,517,320,000	28.91	3,754,218,631	37.75
Public holders of H Shares	2,517,320,000	37.12	3,754,218,631	37.12	3,754,218,631	46.82	2,517,320,000	28.91	3,754,218,631	37.75
Total	6,781,615,684	100.00	6,781,615,684	100.00	8,018,514,315	100.00	8,708,615,684	100.00	9,945,514,315	100.00

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Notes:

- ¹ If there is no trigger event for conversion, the issuance of the Offshore Preference Shares will not affect the ordinary share capital of the Bank.
- ² All existing Domestic Shares will become listed A Shares upon completion of the A Share Offering.
- ³ Such Shares are held by Jincheng International Logistics Group Co., Ltd. (錦程國際物流集團股份有限公司) and Dalian Changxing Island Green-city Development Co., Ltd. (大連長興島綠城發展有限公司) as to 213,507,565 Shares and 33,179,021 Shares, respectively. 99% equity interests in Jincheng International Logistics Group Co., Ltd. is held by Mr. Li Dongjun. Dalian Changxing Island Green-city Development Co., Ltd. is wholly-owned by Jinlian Asset Management Co., Ltd. (錦聯資產管理有限公司), which is in turn wholly-owned by Jinlian Holding Group, whose 90% equity interests in turn is owned by Mr. Li Dongjun. Under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, "SFO"), Mr. Li Dongjun is taken or deemed to be interested in all the Shares held by Jincheng International Logistics Group Co., Ltd. and Dalian Changxing Island Green-city Development Co., Ltd.
- ⁴ Such Shares are held by Beizhen Deying, which is controlled by Mr. Tian Deying. Under the SFO, Mr. Tian is taken or deemed to be interested in all the Shares held by Beizhen Deying.
- ⁵ Assuming that (i) a total of 1,927,000,000 A Shares are to be issued under the A Share Offering; (ii) all existing Domestic Shares will become listed A Shares upon completion of the A Share Offering; and (iii) other than the A Shares to be held by the Directors, supervisors or chief executive of the Bank, all A Shares will be held by public as defined in Rule 8.24 of the Listing Rules.
- ⁶ To the best of the Directors' knowledge and expectation, all the H Shares in issue and all the H Shares to be converted from the Offshore Preference Shares are and will be held by public as defined in Rule 8.24 of the Listing Rules.

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Based on the public information available to the Bank and on the basis that all the Offshore Preference Shares will be held by persons independent from the Bank and core connected persons (as defined in the Listing Rules) of the Bank and assuming that no other changes to the issued share capital of the Bank, the percentage of share capital held by the public (on all regulated market(s) including the Stock Exchange) is (i) 37.12% as at the Latest Practicable Date, (ii) 37.12% after the issuance of the Offshore Preference Shares (assuming the A Share Offering is not completed), (iii) 96.00% after the issuance of the Offshore Preference Shares and completion of the A Share Offering, (iv) 46.82% after the conversion of all the Offshore Preference Shares into H Shares (assuming the A Share Offering is not completed), and (v) 96.49% after the conversion of all the Offshore Preference Shares into H Shares and completion of the A Share Offering, subject to the assumptions as set up in the table above.

On 22 March 2017, the Board considered and approved the Offshore Issuance Plan. The proposed issuance of the Offshore Preference Shares will be subject to (i) the approval of the Domestic Shareholders at the Domestic Shareholders' Class Meeting, the approval of the H Shareholders at the H Shareholders' Class Meeting and the approval of the Shareholders at the AGM, in each case, as a special resolution. Upon approval by the Shareholders at the AGM and at the Class Meetings, and (ii) the approval by or filing with competent regulators (including the approval by the CBRC or its local affiliate and the CSRC, and filing and registration with the National Development and Reform Commission). The validity period of the Offshore Issuance Plan will be 36 months from the date on which the resolution is approved at the AGM and the Class Meetings.

Shareholders and potential investors shall be aware that the proposed issuance of the Offshore Preference Shares is subject to all necessary approvals being obtained and various factors including market conditions, and therefore the proposed issuance of the Offshore Preference Shares may or may not proceed.

9.2 Reasons for and Benefits of the Issuance of the Offshore Preference Shares

In order to meet the Bank's ongoing capital adequacy needs and ensure the stable development of the Bank's business, the Bank has been exploring different ways to replenish its capital. The Bank is in preparation for the A share Offering, and all proceeds from the issuance of A Shares (after the deduction of issuance expenses) will be used to replenish the core tier 1 capital of the Bank and enhance its capital adequacy ratio. For further details, please refer to the circular of the Bank dated 13 May 2016. As at the date of this circular, the A share Offering is still in preparation. With a view to explore different financing method, the Board had approved and proposed the Offshore Issuance Plan to the Shareholders' approval at the AGM and the Class Meeting as an additional way to further enhance the Bank's capital. All proceeds from the issuance of the Offshore Preference Shares will be used (after the deduction of issuance expenses) to replenish the Additional Tier 1 Capital.

Further, the Board also considered the issuance of the Offshore Preference Share a way to attract more diversified investors and achieve the financing target of the Bank more effectively while reducing the impact on the voting rights of existing Shareholders.

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(10) PROPOSAL ON THE AUTHORISATION TO THE BOARD AND ITS AUTHORISED PERSONS TO DEAL WITH ALL MATTERS RELATING TO THE ISSUANCE OF THE OFFSHORE PREFERENCE SHARES

To ensure the successful implementation of the issuance of the Offshore Preference Shares, a special resolution will be proposed at each of the AGM and the Class Meetings to authorise the Board and two executive Directors delegated by the Board or any delegated senior managements to exercise full power to deal with the matters in connection with the issuance of the Offshore Preference Shares under the principles for the issuance of the Offshore Preference Shares which has been approved at the AGM and the Class Meetings and within the validity period of the authorization for the issuance of the Offshore Preference Shares.

The authorisation to the Board for the issuance of the Offshore Preference Shares shall remain valid during the 12 months following the passing of this proposal at the Shareholders' general meeting. If the proposed issuance of the Offshore Preference Shares as described above is not completed before the expiration of the validity period of such authorisation, then such authorisation will lapse, but the Board has the right to seek approval at a Shareholders' general meeting to extend or renew the validity period of such authorisation.

For details of the Proposal on the Authorisation of the Matters Relating to the Issuance of the Offshore Preference Shares, please refer to Appendix II to this circular.

(11) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 22 March 2017, the Board considered and approved the proposal on the amendments to the Articles of Association, which mainly cover the relevant rights and obligations of the holders of the Offshore Preference Shares, the restrictions and restorations of the voting rights, the conversion and redemption of the Offshore Preference Shares and the distribution of profit and residual assets. For a comparative table of the amendments to the Articles of Association, please refer to Appendix III to this circular. The proposal on the amendments to the Articles of Association is hereby submitted as a special resolution to the AGM for consideration and approval, and it is submitted to authorise the Board, and the Board will then delegate two executive Directors or senior managements, to individually or jointly make appropriate amendments to the Articles of Association based on the comments of the relevant regulatory authorities and stock exchanges. The proposed amendments to the Articles of Association, upon approval by the AGM, are subject to approval by the CBRC or its local affiliate. The amended Articles of Association will become effective on the completion date of the issuance of the first tranche of the Offshore Preference Shares.

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

Reference is made to the announcements of the Bank dated 23 March 2016, the circular of the Bank dated 13 May 2016, 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").

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The original resolutions regarding the A Share Offering and the Relevant Authorisation Matters were 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 29 June 2016. The resolutions and authorisation were valid for 12 months from the date of passing of such resolution at the said annual general meeting, domestic share class meeting and H share class meeting.

Given the Bank's application for the A Share Offering is still in progress and is subject to the approvals from the relevant regulatory authorities (including but not limited to CBRC and CSRC), and the above resolutions and authorisation in relation to the A Share Offering and the Relevant Authorisation Matters are about to expire, on 22 March 2017, the Board considered and approved to put forward the proposal to extend the validity period of the A Share Offering and the Relevant Authorisation Matters by 12 months from the day following the original expiry date (i.e. 29 June 2017) for consideration and approval at the AGM and the Class Meetings by way of special resolution, which has no impact towards the normal progress of the A Share Offering. The Bank will make applications for the A Share Offering to the relevant regulatory authorities (including but not limited to CBRC and CSRC) in due course. For the impact on the Bank's share capital structure taking into consideration of the A Share Offering as well as the issuance and conversion of the Offshore Preference Shares, please refer to the table on page 12 of this circular. Other than the above further extension of the validity period of the A Share and the relevant authorisation matters, other details of the A Share Offering remain unchanged, and will continue to be valid.

For the particulars of the A Share Offering and the Relevant Authorisation Matters, please refer to Appendix IV to this circular.

(13) GENERAL MANDATE TO ISSUE NEW SHARES

As at the Latest Practicable Date, the Bank had 4,264,295,684 Domestic Shares and 2,517,320,000 H Shares in issue, respectively. On 22 March 2017, the Board considered and approved to submit to the Shareholders for their consideration and approval a special resolution at the AGM in respect of the grant of a general mandate (the "**General Mandate**"), details of which are as follows:

- (1) the Board is unconditionally given approval to exercise, during the Relevant Period (as defined below), all powers of the Bank to separately or concurrently issue and deal with new Domestic Shares and new H Shares of the Bank which must not exceed 20% of the respective amounts of existing Domestic Shares and H Shares of the Bank as at the date of passing the relevant resolution;
- (2) pursuant to the approval under paragraph (1) above, the Board is authorised to enter into or make, during the Relevant Period, offers, agreements and/or options, under which the new Shares to be allotted and issued are required or may be required to be allotted and issued during or after the expiry of the Relevant Period, and the Board is authorised to issue and deal with the new Shares that are required or may be required to be allotted and issued under such offers, agreements and options;
- (3) after the issuance of the new Shares pursuant to the General Mandate, the Board is authorised to deal with all matters relating to the increase in the registered capital of the

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Bank and to make such appropriate and necessary amendments to the Articles of Association relating to the share capital, shareholding structure and registered capital as well as other relevant matters as they think fit and necessary, to complete domestic and overseas statutory procedures for approval, registration and filing, and to take any other action and complete any formality required to effect the issuance of new Shares pursuant to this special resolution and the increase in the registered capital of the Bank. The Board is authorised to redelegate such authorisation to persons designated by the Board to sign, execute, modify, complete and submit all agreements, contracts and documents in relation to the allotment and issuance of and dealing with the new Shares under the General Mandate, unless otherwise stipulated by laws or regulations;

- (4) the Board is authorised to decide the methods of issuance, including but not limited to:
- (a) Class and size of Shares to be issued;
 - (b) Pricing mechanism and/or issuance price (including the margin of price);
 - (c) Time of issuance;
 - (d) Use of proceeds; and
 - (e) Other contents required under relevant laws and regulations.
- (5) “**Relevant Period**” means the period from the date of passing the relevant Shareholders’ resolution in respect of the General Mandate until the earliest of:
- (a) the conclusion of the next annual general meeting of the Bank;
 - (b) the expiration of the 12-month period from the date of passing the relevant Shareholders’ resolution; and
 - (c) the date on which the authorisation granted to the Board in the relevant Shareholders’ resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

If the resolution regarding the General Mandate has been passed at the AGM, the Bank may issue up to 852,859,136 Domestic Shares and 503,464,000 H Shares, which are 20% of the respective amounts of existing Domestic Shares and H Shares of the Bank as at the Latest Practicable Date.

The Directors believe that the General Mandate will allow financial flexibility for the Bank to raise additional funds for its future business development and expansion. Accordingly, the Directors consider that the approval of the grant of the General Mandate is in the interests of the Bank and the Shareholders as a whole.

The Board will only exercise the General Mandate, if granted by the Shareholders, in accordance with the Company Law of the PRC and the Listing Rules and all applicable laws, rules and regulations

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of any other governmental or regulatory authorities and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC governmental authorities are obtained. As at the Latest Practicable Date, no definitive plan had been formed by the Board as to when the General Mandate will be exercised, if granted by the Shareholders.

For avoidance of doubts, the Shares (including Domestic Shares and H Shares) and share capital mentioned in this resolution shall refer to the Ordinary Shares, excluding the preference shares.

(14) PROPOSED ISSUE OF THE GREEN FINANCIAL BONDS

14.1 Proposed issue of the Green Financial Bonds

To further support the local economy, especially the development of the green industry, and to meet the financing needs of relevant customers, on 22 March 2017, the Board considered and approved to submit the proposal issue the Green Financial Bonds in the aggregate principal amount of not more than RMB2,000,000,000 in the inter-bank bond market in one or several tranches according to relevant rules and regulations of the PRC for consideration and approval at the AGM by way of special resolution. The Green Financial Bonds will not be listed on the Stock Exchange and will not be converted into any securities.

Detailed information relating to the issuance of the Green Financial Bonds are as follows:

1. Size : not more than RMB2,000,000,000 and will be issued in one or several tranches
2. Type and maturity : non-capital financial bonds, with 3-year or 5-year maturity term
3. Interest rate : a fixed interest rate which is proposed to be determined through the book-building process in placing or by the result of public tender
4. Use of proceeds : to be used in green industry projects specified in the Green Projects Catalogue (《綠色債券支援專案目錄》) launched by the Green Finance Committee of the China Society for Finance & Banking (中國金融學會綠色金融專業委員會)
5. Target subscribers : members of the national inter-bank bond market of the PRC
6. Term of validity of the resolution : 12 months, commencing from the date of passing of the relevant special resolution at the AGM
7. Issue method : to be issued through book building by bookrunners and placing in the China's interbank bond market or by tender through the issue system of the PBOC

The proposed issue of the Green Financial Bonds is if approved at the AGM, is subject to necessary approvals from the CBRC or its branches and other relevant regulatory authorities.

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14.2 Authorisation to the Board to implement the issue of the Green Financial Bonds

It will be proposed at the AGM that the Board be authorized to implement the issue of the Green Financial Bonds (including but not limited to the determination of the 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 issue of the Green Financial 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 Green Financial Bonds. The authorisation for the issue of the Green Financial Bonds shall remain valid during the 12 months following the passing of the resolution at the Shareholders' general meeting.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM and the Class Meetings, the register of members of the Bank will be closed from Tuesday, 25 April 2017 to Thursday, 25 May 2017 (both days inclusive), during which period no transfer of Shares will be effected. The record date for entitlement to attend and vote at the AGM and the Class Meetings is Thursday, 25 May 2017. In order to be qualified to attend and vote at the AGM and the Class Meetings, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Bank, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shares), or to the Bank's registered office in the PRC at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC (in respect of Domestic Shares) no later than 4:30 p.m. on Monday, 24 April 2017.

The proposed final dividend is subject to the passing of an ordinary resolution by the Shareholders at the AGM. In order to determine the entitlement to receive the final dividend, the register of members of the Bank will be closed from Sunday, 4 June 2017 to Friday, 9 June 2017 (both days inclusive), during which period no transfer of shares will be registered. The record date for entitlement to receive the final dividend is Friday, 9 June 2017. In order to be qualified for receiving the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Bank, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shares), or to the Bank's registered office in the PRC at No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC (in respect of Domestic Shares) no later than 4:30 p.m. on Friday, 2 June 2017.

NOTICES OF THE AGM AND CLASS MEETINGS

The AGM will be held at the meeting room of the Bank's registered office in the PRC at the meeting room of 34th Floor, No. 68 Keji Road, Jinzhou City, Liaoning Province, the PRC at 9:30 a.m. on Thursday, 25 May 2017. The Domestic Shareholders' Class Meeting will be held immediately after the conclusion of the AGM at the same place, and the H Shareholders' Class Meeting will be held immediately after the conclusion of the Domestic Shareholders' Class Meeting at the same place. Notices of the AGM and the Class Meetings are set out on pages 56 to 68 of this circular.

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REPLY SLIPS AND PROXY FORMS

If you are eligible and intend to attend the AGM and/or the Class Meetings, please complete and return the reply slip(s), in accordance with the instructions printed thereon as soon as possible and in any event no later than 20 days before the date appointed for holding such meeting(s) or any adjournment thereof.

Shareholders who intend to attend the AGM and/or the Class Meetings by proxy are required to complete and return the proxy form(s), in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for the holding of such meeting(s) (i.e. by Wednesday, 24 May 2017 at 9:30 a.m.) or any adjournment thereof. Completion and return of the proxy form(s) will not preclude you from attending and voting in person at such meeting(s) or any adjournment thereof should you so wish.

VOTING BY POLL AT THE AGM AND THE CLASS MEETINGS

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions to be proposed at the AGM and the Class Meetings as set out in the notices of the AGM and the Class Meetings set out at the end of this circular must be taken by poll. The chairman of the AGM and the Class Meetings will therefore demand a poll for every such resolution put to the vote at the AGM and the Class Meetings. On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share of the Company registered in his or her name in the register of Shareholders. A Shareholder entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses in the same way.

Jincheng International Logistics Group Co., Ltd.⁺ (錦程國際物流集團股份有限公司) and Dalian Changxing Island Green-city Development Co., Ltd.⁺ (大連長興島綠城發展有限公司), being the Shareholders of the Bank holding a total of 246,686,586 Shares representing approximately 3.64% of the total issued share capital of the Bank as at the Latest Practicable Date, who are the related parties under Jinlian Holding Group whose credit lines are to be extended by the Bank and have a material interest in the proposed ordinary resolution in relation to the application for the cap of credit extension related party transactions for the year 2017, will abstain from voting on the such proposed ordinary resolution at the AGM.

RECOMMENDATION

The Board considers that all resolutions set out in the notices of the AGM and the Class Meetings for Shareholders' consideration and approval are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favor of the resolutions set out in the notice of the AGM and the Class Meetings which are to be proposed at the AGM and the Class Meetings.

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

The English version of this Offshore Issuance Plan is an unofficial translation of its Chinese version, for reference purpose only. In case of any discrepancies, the Chinese version shall prevail. The full version of the Offshore Preference Shares issuance plan is as follows:

**PLAN FOR THE NON-PUBLIC ISSUANCE OF THE OFFSHORE PREFERENCE
SHARES BY BANK OF JINZHOU CO., LTD.**

1. Type of preference shares to be issued

The type of the securities to be issued will be preference shares that comply with the requirements of the laws, regulations and regulatory documents of the PRC and overseas (the “Offshore Preference Shares”).

2. Number of preference shares to be issued and issue size

The aggregate number of the Offshore Preference Shares to be issued will not exceed 100 million, with an aggregate amount to be issued not exceeding RMB10 billion or its equivalent. The actual issue size is to be determined by the Board within the abovementioned limit, in accordance with the authorisation given by the Shareholders’ general meeting (with a delegated mandate).

3. Par value and issue price

The par value of the Offshore Preference Shares will be RMB100 per Offshore Preference Share. The Offshore Preference Shares will be issued at or above the par value. The actual currency and issue price will be determined by the Board prior to issuance with reference to market conditions and in accordance with relevant laws, regulations and market practice and the authorisation given by the Shareholders’ general meeting (with a delegated mandate).

4. Maturity

The Offshore Preference Shares will not have any maturity date.

5. Method of issuance and target investors

The issuance of the Offshore Preference Shares will be conducted by way of a private placement in accordance with the relevant rules on issuance and the Offshore Preference Shares shall, after being approved by regulatory authorities, be issued in a single or multiple series in accordance with the relevant procedures. If the Offshore Preference Shares are to be issued in multiple series, no separate approval shall be required to be obtained from existing preference shareholders for each such issuance.

Each series of the Offshore Preference Shares will be offered to no more than 200 qualified investors who comply with the requirements under relevant regulatory rules and other laws and regulations. All target investors shall subscribe the Offshore Preference Shares in cash.

6. Lock-up period

There will be no lock-up period for the Offshore Preference Shares.

7. Dividend Distribution Terms

(1) Principles for determining the dividend rate

The proposed dividend rate for the Offshore Preference Shares (such dividend rate will be calculated by reference to the issue price of the Offshore Preference Shares, similarly construed hereinafter) may be adjusted at different intervals. The dividend rate at the time of issuance shall be determined by the Board by way of market pricing, in accordance with the authorisation given by the Shareholders' general meeting (with a delegated mandate) together with other factors including relevant laws and regulations, market conditions at the time of issuance, investor demand and the actual circumstances of the Bank. In any adjusted dividend rate period, dividends on the Offshore Preference Shares will be paid at the same prescribed dividend rate and will be reset at specified intervals thereafter.

The dividend rate consists of the benchmark rate and the fixed spread. The fixed spread will be determined by deducting the benchmark rate at the time of price determination from the dividend rate at the time of issuance and will remain unchanged once determined. On the dividend reset date, the new dividend rate for the next adjusted dividend rate period will be determined, and will equal to the sum of the benchmark rate as at such dividend reset date and the fixed spread as determined at the time of price determination.

The dividend rate will not be higher than the mean of the weighted average return on equity of the Bank for the last two financial years before issuance¹.

(2) Conditions to distribution of dividends

If the Bank has distributable after-tax profit² after making up for previous years' losses and contributing to the statutory reserve and general reserve, the Bank may pay dividends to the Offshore Preference Shareholders in accordance with the Articles of Association, provided that the capital

¹ As determined in accordance with the Rules for Preparation of Information Disclosure by Companies Offering Securities to the Public No. 9 — Calculation and Disclosure of Return on Equity and Earnings Per Share (as amended in 2010), and calculated based on the return attributable to the Ordinary Shareholders.

² Distributable after-tax profit is the undistributed profit as shown in the financial statements of the parent company prepared in accordance with Chinese Accounting Standards or International Financial Reporting Standards, whichever amount is lower.

adequacy ratio of the Bank meets regulatory requirements. The Offshore Preference Shareholders shall rank in priority to the Ordinary Shares in terms of dividend distribution. Distribution of dividends will not be affected by the rating of the Bank and will not be adjusted as a result of any change to such rating.

In order to meet the regulatory requirements for the eligibility criteria for Additional Tier 1 Capital instruments, the Bank shall have the right to cancel dividend payments on the Offshore Preference Shares in whole or in part at its discretion and this will not constitute an event of default. The Bank, at its discretion, may use any dividend so cancelled to repay other debts that are due. The cancellation of any dividend payment to the Offshore Preference Shareholders will only constitute a restriction on the payment of dividend to the Ordinary Shareholders and will not constitute any other restrictions on the Bank. Any declaration and payment of all of the dividends on the Offshore Preference Shares by the Bank will be determined by the Board in accordance with the authorisation given by the Shareholders' general meeting (with a delegated mandate). Any cancellation of all or part of the dividends on the Offshore Preference Shares shall be subject to the consideration and approval by the Shareholders' general meeting. Any cancellation by the Bank of any dividends on the Offshore Preference Shares shall be notified to the holders of the Offshore Preference Shares at least ten working days prior to the dividend payment date.

If the Bank cancels all or part of the distribution of dividends on the Offshore Preference Shares, the Bank shall not distribute any profits to the Ordinary Shareholders from the next day following the resolution being approved at the Shareholders' general meeting until the resumption of payment of dividends in full³.

(3) *Method of dividend payment*

Dividends on the Offshore Preference Shares shall be payable in cash. The dividend bearing principal amount of the Offshore Preference Shares shall be the aggregate value of the relevant series of Offshore Preference Shares then issued and outstanding (namely, the product of the issue price of the relevant series of the Offshore Preference Shares and the number of shares under the relevant series of the Offshore Preference Shares then issued and outstanding, similarly construed hereinafter). Dividends on the Offshore Preference Shares shall be paid annually, and will accrue from the due date for payment for the issuance of the relevant series of the Offshore Preference Shares.

(4) *Dividend accumulation*

The dividends on the Offshore Preference Shares will be non-cumulative (namely, in the event of any cancellation by the Bank of all or part of the dividends on the Offshore Preference Shares, any amount of dividends not paid to the Offshore Preference Shareholders in full in the current period will not be accumulated to the following dividend periods).

³ *Resumption of payment of dividends in full means that the Bank decides to resume payment of dividends in full to the Offshore Preference Shareholders. However, as the Offshore Preference Shares have adopted a non-cumulative dividend approach, the Bank will not pay any dividends which have been cancelled in previous years.*

(5) *Distribution of residual profits*

After receiving the dividends at the prescribed dividend rate, the Offshore Preference Shareholders shall not be entitled to any distribution of residual profits of the Bank together with the Ordinary Shareholders.

8. Terms of mandatory conversion

Upon the occurrence of the mandatory conversion trigger events, all or part of the then issued and outstanding Offshore Preference Shares shall be converted into H Shares subject to the approval of relevant regulatory authorities.

(1) *Mandatory conversion trigger events*

- (i) Upon the occurrence of an Additional Tier 1 Capital Trigger Event (namely, the Core Tier 1 capital adequacy ratio of the Bank falling to 5.125% or below), the Bank shall have the right to convert, without the approval of the Offshore Preference Shareholders, all or part of the Offshore Preference Shares then issued and outstanding into H Shares based on the aggregate value of such Offshore Preference Shares in order to restore the Core Tier 1 capital adequacy ratio of the Bank to above 5.125%. In case of partial conversion, the Offshore Preference Shares shall be converted ratably and on the same conditions. Upon conversion of the Offshore Preference Shares into H Shares, such H Shares will not be converted back to preference shares under any circumstances.
- (ii) Upon the occurrence of a Tier 2 Capital Trigger Event, the Bank shall have the right to convert, without the approval of the Offshore Preference Shareholders, all of the Offshore Preference Shares then issued and outstanding into H Shares based on the aggregate value of such Offshore Preference Shares. Upon conversion of the Offshore Preference Shares into H Shares, such H Shares will not be converted back to preference shares under any circumstances. A Tier 2 Capital Trigger Event means the earlier of the following events: (a) the CBRC having concluded that without a conversion or write-off of the Bank's capital, the Bank would become non-viable, and (b) the relevant authorities having concluded that without a public sector injection of capital or equivalent support, the Bank would become non-viable.

Upon the occurrence of the above mandatory conversion trigger events, the Bank shall report to the CBRC or its affiliates for review and determination and shall fulfil its relevant information disclosure obligations such as making provisional reports or announcements in accordance with relevant regulatory requirements.

(2) *Mandatory conversion period*

The mandatory conversion period of the Offshore Preference Shares commences on the first trading day immediately following the completion date of issuance of the Offshore Preference Shares and ends on the date of redemption or conversion of all the Offshore Preference Shares.

(3) *Mandatory conversion price and its adjustments method*

The initial mandatory conversion price of the Offshore Preference Shares shall be the average trading price of the H Shares of the Bank in 20 trading days preceding the announcement date of the passing of the Board resolution in respect of the Offshore Preference Share issuance plan. The specific matters shall be determined by the Board as authorized by the Shareholders' general meeting (with a delegated mandate) according to market conditions.

The average trading price of the H Shares of the Bank in 20 trading days preceding the announcement date of the Board resolution in respect of the Offshore Preference Share issuance plan = the total trading amount of the Bank's H Shares in these 20 trading days/ the total trading volume of the Bank's H Shares in these 20 trading days (i.e. HK\$9.09 per share).

In the event that the Bank, among other things, distributes bonus shares with respect to its H Shares, makes capitalisation issues, issues H Shares below the market price of the H Shares (excluding any increase in the share capital as a result of conversion of certain financial instruments issued by the Bank that are convertible into Ordinary Shares) or makes any rights issues, after the date when the Board approves the Offshore Preference Share issuance plan, the Bank will adjust the mandatory conversion price to reflect the above events on a cumulative basis and in the order of the occurrence of such events. The distribution of cash dividends to the Ordinary Shareholders will not result in any adjustment to the mandatory conversion price. The mandatory conversion price will be adjusted based on the following:

Bonus share issuance or capitalisation issue: $P_1 = P_0 \times N/(N + n)$

Issuance of new H Shares below the market price of the H Shares or by way of a rights issue:
 $P_1 = P_0 \times (N + k)/(N + n)$; $k = n \times A/M$

Where, "P₀" denotes the effective mandatory conversion price before adjustment; "P₁" denotes the effective mandatory conversion price after adjustment; "N" denotes the aggregate number of H Shares before such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "n" denotes the number of new H Shares issued as a result of such bonus share issuance, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; "A" denotes the price for such issuance of new H Shares below the market price of the H Shares or rights issue; and "M" denotes the closing price of H Shares on the trading day preceding the date of announcement of such issuance of new H Shares below the market price of the H Shares or rights issue (namely, announcement containing the effective and irrevocable terms of such issuance or rights issue).

In the event that the rights and interests of the Offshore Preference Shareholders may be affected by any redemption of the Ordinary Shares by, or merger or division of, the Bank or any other circumstance which causes changes in the Bank's share class, number of shares and/or Shareholders' equity, the Bank shall have the right to adjust the mandatory conversion price based on the actual circumstances and in accordance with the principles of fairness, justice and equity as well as to fully protect the rights and interests of the Offshore Preference Shareholders and the Ordinary Shareholders. The adjustment mechanism for the mandatory conversion price in those circumstances will be determined in accordance with the relevant regulations.

(4) *Principles for determining the ratio and number for mandatory conversion*

Upon the occurrence of a trigger event, the Board will, in accordance with the approval of the CBRC or its affiliates and the authorisation given by the Shareholders' general meeting, confirm the aggregate amount of the Offshore Preference Shares for mandatory conversion and implement mandatory conversion of the Offshore Preference Shares then issued and outstanding in whole or in part, and the formula for determining the number of shares to be converted shall be: $Q = V/P \times \text{conversion exchange rate}$. Any fractional share will be dealt with by the Bank in accordance with relevant regulatory requirements. Where it is not specified in the regulatory requirements, any fractional share will be rounded down to the nearest integral number. Where: "Q" denotes the number of H Shares that shall be converted from the Offshore Preference Shares held by each Offshore Preference Shareholder; "V" denotes the number of the Offshore Preference Shares held by each Offshore Preference Shareholder that is subject to mandatory conversion multiplied by its issue price; "P" denotes the effective mandatory conversion price for the Offshore Preference Shares; and the "conversion exchange rate" refers to the cross rate between HK\$ 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 day preceding the date of the announcement of the passing of the Board resolution in respect of the Offshore Preference Share issuance plan.

Upon the occurrence of a trigger event, the Offshore Preference Shares then issued and outstanding will be converted into corresponding number of H Shares based on the above formula in whole or in part on a ratable basis.

(5) *Entitlement to dividends on Ordinary Shares in the year of mandatory conversion*

The H Shares to be issued as a result of the mandatory conversion of the Offshore Preference Shares will rank pari passu with the existing issued H Shares, and all Ordinary Shareholders whose names appear on the register of members of the Bank on the record date for dividend entitlement (including the holders of H Shares as a result of the mandatory conversion of the Offshore Preference Shares) shall be entitled to receive the dividend for the current dividend period and enjoy the same rights.

9. Terms of conditional redemption**(1) *Redemption right***

The Bank shall have the right to redeem the Offshore Preference Shares subject to obtaining the approval of the CBRC or its affiliates. The Offshore Preference Shareholders do not have the right to require the Bank to redeem the Offshore Preference Shares and should not expect that the Offshore Preference Shares will be redeemed. The Offshore Preference Shares will not contain any term allowing investors to put back the Offshore Preference Shares to the Bank and the Offshore Preference Shareholders shall not have any right to require the Bank to repurchase the Offshore Preference Shares held by them.

(2) *Redemption conditions and period*

From the fifth year following the date of issuance of the Offshore Preference Shares, or under the circumstances agreed by relevant regulatory authorities, including the CBRC, subject to obtaining the approval of the CBRC or its affiliates and the compliance with the relevant requirements, the Bank shall have the right to redeem all or part of the Offshore Preference Shares. The specific commencement date of redemption period shall be finally determined by the Board (as authorised by the Shareholders' general meeting) in accordance with market conditions. The redemption period ends on the conversion or redemption of all the Offshore Preference Shares.

The exercise by the Bank of its right to redeem the Offshore Preference Shares shall be subject to the fulfilment of the following conditions:

- (i) the Bank shall use capital instruments of the same or superior quality to replace the Offshore 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
- (ii) the capital position of the Bank immediately after redemption of the Offshore Preference Shares will remain significantly higher than the regulatory capital requirements prescribed by the CBRC.

(3) *Redemption price and basis for determining the redemption price*

The redemption price of the Offshore Preference Shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.

10. Restrictions on voting rights and terms of restoration of voting rights**(1) *Restrictions on voting rights***

Under normal circumstances, the Offshore Preference Shareholders are not entitled to convene or attend any Shareholders' general meetings of the Bank nor do the Offshore Preference Shares carry voting rights in any Shareholders' general meeting. If any of the following matters occurs, the Offshore Preference Shareholders will be entitled to attend Shareholders' general meetings and vote as a separate class. Under such circumstance, each Offshore Preference Share will be entitled to one vote, but the Offshore Preference Shares held by the Bank do not entitle the Bank to vote:

- (i) amendments to the Articles of Association of the Bank that relate to preference shares;
- (ii) reduction of the registered capital of the Bank by more than 10% on a single or aggregate basis;
- (iii) merger, division, dissolution or change of corporate form of the Bank;
- (iv) issuance of preference shares by the Bank; and
- (v) other events specified in the laws, administrative rules and departmental regulations and the Articles of Association of the Bank.

Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by the Ordinary Shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two thirds of the votes held by the preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

(2) *Terms of restoration of voting rights*

Following the issuance of the Offshore Preference Shares by the Bank and so long as such Offshore Preference Shares remain outstanding, if the Bank fails to pay the prescribed dividend to the Offshore Preference Shareholders for three financial years in aggregate or two consecutive financial years, the Offshore 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, and each preference share will be entitled to the voting rights as provided in the Articles of Association. The formula for calculating the voting rights of the Offshore Preference Shares with restored voting rights is as follows: $Q = V/P \times \text{conversion exchange rate}$, 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, where the initial conversion price is equal to the initial mandatory conversion price; and the “conversion exchange rate” refers to the cross rate between HK\$ 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 resolution in respect of the Offshore Preference Share issuance plan.

After the date of the announcement of the passing of the Board resolution with respect to the Offshore Preference Share issuance plan, in the event of any distribution of bonus shares, capitalisation issue, issuance of new H Shares below the market price of the H Shares (excluding any increase of share capital due to conversion of financial instruments convertible to Ordinary Shares issued by the Bank), or rights issue, the Bank will make an adjustment to the conversion price “P”, to reflect each of such events on a cumulative basis in the order of the occurrence of the events above. The detailed adjustment method shall be consistent with the adjustment method applicable to the mandatory conversion price as specified in “8. Terms of mandatory conversion”.

(3) *Cancellation of restoration of voting rights*

After such restoration of the voting rights of the Offshore Preference Shares, such restored voting rights shall be cancelled from the date of full payment of the dividend on the Offshore Preference Shares for the current dividend period. After the cancellation of the restored voting rights, if the Bank fails to make any scheduled dividend payment, then “(2) Terms of restoration of voting rights” above shall apply again.

11. Order of distribution on liquidation and procedures for liquidation

When the Bank is undergoing liquidation, the residual assets of the Bank will be distributed in the following order of priority:

- (i) to pay the liquidation costs;
- (ii) to pay employees’ salaries, social insurance and statutory compensation;
- (iii) to pay the principal and interest of personal savings deposits;
- (iv) to pay taxes in arrears;
- (v) to settle the Bank’s debts; and
- (vi) to distribute to the Shareholders according to their class and ratably.

The Offshore Preference Shareholders shall rank *pari passu* with the holders of other preference shares that may be issued by the Bank in the future, and shall take precedence over holders of Ordinary Shares, in distribution of the residual property of the Bank. The Offshore Preference Shareholders will be entitled to an amount on liquidation equal to the aggregate value of the Offshore Preference Shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient residual assets, the distribution will be made ratably according to the aggregate value of the Offshore Preference Shares held by each Offshore Preference Shareholder as a proportion of the aggregate value of all preference shares of the Offshore Preference Shares.

The remaining assets of the Bank after settlement in accordance with the provisions aforesaid shall be distributed to the Ordinary Shareholders in proportion to the shareholding of Ordinary Shares held by them.

12. Security

The Offshore Preference Shares will not have any security arrangements.

13. Rating

The rating of the Offshore Preference Shares (if necessary) will be determined in accordance with relevant laws and regulations and market conditions of offshore issuance.

14. Use of proceeds

The proceeds from the issuance of the Offshore Preference Shares, after deduction of the expenses relating to the issuance, will be used to replenish the Bank's Additional Tier 1 Capital.

15. Listing/trading arrangements

The listing/trading arrangements for the Offshore Preference Shares will be set out in the issuance documents.

16. Validity period of the resolution for the issuance of the Offshore Preference Shares

The Offshore Preference Share issuance plan will be valid for 36 months from the date on which the resolution is approved at the Shareholders' general meeting.

The English version of this proposal is an unofficial translation of its Chinese version, for reference purpose only. In case of any discrepancies, the Chinese version shall prevail. The full version of the proposal on the authorisation of the matters relating to the issuance of the Offshore Preference Shares is as follows:

**Proposal on the Authorization of the Matters Relating to
the Issuance of the Offshore Preference Shares**

1. Matters authorised in connection with the issuance of the Offshore Preference Shares

To ensure the successful implementation of the issuance of the Offshore Preference Shares, it is proposed that the Shareholders' general meeting authorise the Board and two executive Directors delegated by the Board or any delegated senior managements to exercise full power to deal with the matters in connection with the issuance of the Offshore Preference Shares under the principles for the issuance of the Offshore Preference Shares which has been approved at the Shareholders' general meeting and within the validity period of the authorisation for the issuance of the Offshore Preference Shares, including but not limited to those set out below:

- (i) to formulate and implement the final Offshore Preference Share issuance plan, including but not limited to:
 - (a) to determine the number of series and the respective issue number and issue size of each series of the Offshore Preference Shares within the approved total issue number and issue size;
 - (b) to determine the method for determining the dividend rate and the specific dividend rate and adjusted dividend rate period of the Offshore Preference Shares;
 - (c) to determine whether the Offshore Preference Shares will be issued at or above par value, the issue price of the Offshore Preference Shares, the denomination currency, and the specific commencement date of the redemption period, redemption conditions and the issuance method of the Offshore Preference Shares, with reference to market conditions;
 - (d) to determine the timing of issuance, the arrangements relating to issuance in multiple series, the transfer arrangements, target investors of the Offshore Preference Shares and the number of the Offshore Preference Shares to be allocated to each target investor according to approval from regulatory authorities, market conditions and the principles for the issuance of the Offshore Preference Shares which has been approved at the Shareholders' general meeting; and
 - (e) to determine other matters in relation to the issuance plan (including but not limited to rating arrangements, special account for the proceeds, the tax arrangements in relation to any dividend payment, and the listing of the Offshore Preference Shares) and to make necessary adjustments to the Offshore Preference Shares issuance plan

according to the latest regulatory requirements or opinions of regulatory authorities (including suspension and termination, similarly thereafter), except those matters that requires a separate vote at a Shareholders' general meeting in accordance with the relevant laws and regulations and the Articles of Association.

- (ii) if there are any new laws, regulations, regulatory rules or policies by relevant regulatory authorities on preference shares or any changes to market conditions occurring prior to the issuance of the Offshore Preference Shares, the Offshore Issuance Plan shall be amended accordingly to reflect such changes, except for amendments that must be approved in the Shareholders' meeting by voting according to relevant laws, regulations and the Articles of Association;
- (iii) to produce, amend, execute and file the application materials relating to the issuance, trading and transfer of the Offshore Preference Shares, and the documents relating to the issuance and transfer (such as offering circular/issuance circular/prospectus, as applicable) of the Offshore Preference Shares and to deal with related matters, such as approval, registration, filing, authorisation and consent by relevant regulatory authorities (including the Stock Exchange) according to the requirements of such relevant regulatory authorities;
- (iv) to amend, execute, implement, submit and publish all contracts, agreements and documents (including but not limited to sponsor and underwriting agreements, agreements relating to the issuance proceeds, subscription agreements entered into with investors, announcements, circulars and other disclosure documents) in relation to the issuance of the Offshore Preference Shares;
- (v) to make appropriate and necessary amendments, adjustments and supplements to the issuance plan and terms of the Offshore Preference Shares according to the opinions of the relevant regulatory authorities (including, among others, the Stock Exchange, the CBRC and the CSRC) and the actual circumstances of the Bank to the extent permitted by laws and regulations;
- (vi) to amend those provisions in the Articles of Association relating to the issuance of the Offshore Preference Shares, to deal with regulatory approvals, to handle the formalities in relation to the approval and filing of the amendments to the Articles of Association, and to register with the administration for industry and commerce and other competent governmental bodies for the change of registration as well as other matters, in each case, according to the opinions of the relevant regulatory authorities, the result of the issuance of the Offshore Preference Shares and the actual situation of the Bank; and
- (vii) to deal with other matters relating to the issuance of the Offshore Preference Shares.

The authorisation for the issuance of the Offshore Preference Shares shall remain valid during the 12 months following the passing of the resolution at the Shareholders' general meeting. If the

issuance of the Offshore Preference Shares is not completed before the expiration of the validity period of such authorisation, then such authorisation will lapse, but the Board has the right to seek approval at a Shareholders' general meeting to extend or renew the validity period of such authorisation.

2. Matters authorised in connection with the Offshore Preference Shares that remain outstanding

So long as the Offshore Preference Shares remain outstanding, it is proposed by the Board that the Shareholders' general meeting authorises the Board, which could be delegated, to exercise full power to deal with matters under laws and regulations, Articles of Association, relevant regulatory rules and the framework and principles as considered and resolved at the Shareholders' general meeting in relation to the following matters:

- (i) to deal with all matters relating to conversion of the Offshore Preference Shares during the conversion period upon occurrence of any trigger event for mandatory conversion of the Offshore Preference Shares, including but not limited to, determining the timing of conversion, conversion price, conversion ratio and implementing the procedures for conversion, amending the relevant provisions in the Articles of Association, dealing with regulatory approvals, registering with the administration for industry and commerce for the change in registered capital of the Bank as well as other matters;
- (ii) to decide on matters relating to redemption of the Offshore Preference Shares during the redemption period with reference to market conditions and other factors, and to deal with all matters relating to redemption as approved by the CBRC or its affiliates and other regulatory authorities; and
- (iii) to determine and deal with matters in relation to dividend payment to Offshore Preference Shareholders in accordance with the requirements of the issuance terms. However, cancellation of preference share dividends in whole or in part shall still require the approval of the Shareholders' general meeting.

APPENDIX III 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 amended Articles of Association are now compared with the existing Articles of Association as follows to highlight the amendments. After adding new articles, the numbering of the articles will be re-numbered accordingly. The following amendments will become effective on the completion date of the issuance of the first tranche of the Offshore Preference Shares.

Original Articles	Amended Articles
<p>Article 2 For the purposes of maintaining the legitimate rights and interests of the Bank, its shareholders and creditors, and of standardizing the organization and behaviour of the Bank, the Articles of Association is hereby formulated in combination with the actual circumstance of the Bank and according to the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Law of the People’s Republic of China on Commercial Banks (hereinafter referred to as the “Commercial Banking Law”), the Prerequisite Clauses for Articles of Association of Companies to Be Listed Overseas, the Special Provisions of the State Council on the Offering and Listing of Shares Overseas by Joint Stock Limited Companies (the “Special Provisions”) and other relevant laws, administrative regulations, departmental rules and relevant regulations by securities regulatory authorities of the jurisdiction where the Bank’s shares are listed.</p>	<p>Article 2 For the purposes of maintaining the legitimate rights and interests of the Bank, its shareholders and creditors, and of standardizing the organization and behaviour of the Bank, the Articles of Association is hereby formulated in combination with the actual circumstance of the Bank and according to the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Law of the People’s Republic of China on Commercial Banks (hereinafter referred to as the “Commercial Banking Law”), the Prerequisite Clauses for Articles of Association of Companies to Be Listed Overseas, the Special Provisions of the State Council on the Offering and Listing of Shares Overseas by Joint Stock Limited Companies (the “Special Provisions”), the Guidance Opinion on the Launch of Preference Shares Pilot Scheme issued by the State Council (國務院關於開展優先股試點的指導意見), the Trial Administrative Measures on Preference Shares (優先股試點管理辦法), the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier-1 Capital jointly issued by the China Banking Regulatory Commission and the China Securities Regulatory Commission (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, administrative regulations, departmental rules and relevant regulations by securities regulatory authorities of the jurisdiction where the Bank’s shares are listed.</p>

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<p>Article 9 The total asset of the Bank shall be divided into shares of equal value. The respective liability of the shareholders of the Bank shall be limited to the shares held by them. The Bank shall be held liable for its debts with all its assets.</p>	<p>Article 9 The total asset of the Bank shall be divided into shares of equal value.The respective liability of the shareholders of the Bank shall be limited to the shares held by them. The Bank shall be held liable for its debts with all its assets.</p>
<p>Article 18 The shares of the Bank shall be in the form of stock. All shares issued by the Bank shall be ordinary shares. Subject to approval of the approval authorities authorised by the State Council, the Bank may have other kinds of shares according to its needs.</p>	<p>Article 18 The shares of the Bank shall be in the form of stock. All shares issued by the Bank shall be ordinary shares. Subject to approval of the approval authorities authorised by the State Council, the Bank may have other kinds of shares such as preference shares according to its needs. In the Articles of Association, 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 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.</p> <p>Unless otherwise specified, references in Chapters 3 to 16 of the Articles of Association to share(s) (including H shares) and share certificate(s) shall refer to ordinary share(s) and ordinary share certificate(s) and references to shareholders in Chapter 3 to Chapter 16 of the Articles of Association shall refer to ordinary shareholders. Special matters relating to preference shares are set out separately in Chapter 17 of the Articles of Association.</p>

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<p>Article 49 The Bank may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of shareholders of overseas-listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of H shares shall be maintained in Hong Kong.</p>	<p>Article 49 The Bank may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of shareholders of overseas-listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of H shares (excluding preference shares) shall be maintained in Hong Kong.</p>
<p>Article 50 The Bank shall maintain a complete register of shareholders.</p> <p>The register of shareholders shall include the following parts:</p> <p>(1) the register of shareholders maintained at the Bank’s domicile, other than those as described in items (2) and (3) of this article;</p> <p>(2) the register of shareholders in respect of the holders of overseas-listed foreign shares of the Bank maintained at the place where the overseas stock exchange on which the shares are listed is located;</p> <p>(3) the register of shareholders maintained at such other places as the Board may consider necessary for the purpose of listing of the Bank’s shares.</p>	<p>Article 50 The Bank shall maintain a complete register of shareholders.</p> <p>The register of shareholders shall include the following parts:</p> <p>(1) the register of shareholders maintained at the Bank’s domicile, other than those as described in items (2) and (3) of this article;</p> <p>(2) the register of shareholders in respect of the holders of overseas-listed foreign shares of the Bank maintained at the place where the overseas stock exchange on which the shares are listed is located;</p> <p>(3) the register of shareholders maintained at such other places as the Board may consider necessary for the purpose of listing of the Bank’s shares (including preference shares).</p>
<p>Article 59 The ordinary shareholders of the Bank shall be entitled to the following rights.....</p>	<p>Article 59 The ordinary shareholders of the Bank shall be entitled to the following rights (if the Articles of Association have other regulations on the rights of preference shareholders, those other regulations shall apply).....</p>
<p>Article 66 Shareholders of the ordinary shares of the Bank shall perform the following obligations.....</p>	<p>Article 66 Shareholders of the ordinary shares of the Bank shall perform the following obligations (if the Articles of Association have other regulations on the rights of preference shareholders, those other regulations shall apply).....</p>

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<p>Article 71 The term “controlling shareholder” referred to in the preceding Article means a person who satisfies any one of the following conditions:</p> <p>(1) a person who, acting alone or in concert with others, has the right to elect more than half of the Board members;</p> <p>(2) a person who, acting alone or in concert with others, has the right to exercise or to control the exercise of 30% or more of the voting rights in the Bank;</p> <p>(3) a person who, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Bank;</p> <p>(4) a person who, acting alone or in concert with others, has real control of the Bank in any other way.</p>	<p>Article 71 The term “controlling shareholder” referred to in the preceding Article means a person who satisfies any one of the following conditions:</p> <p>(1) a person who, acting alone or in concert with others, has the right to elect more than half of the Board members;</p> <p>(2) a person who, acting alone or in concert with others, has the right to exercise or to control the exercise of 30% or more of the voting rights in total number of voting shares of the Bank;</p> <p>(3) a person who, acting alone or in concert with others, holds 30% or more of total number of voting shares the issued and outstanding shares of the Bank;</p> <p>(4) a person who, acting alone or in concert with others, has real control of the Bank in any other way.</p>
<p>Article 72 The shareholders’ general meeting is the organ of power of the Bank which exercises the following functions and powers according to law:</p> <p>....</p> <p>(17) examining other matters which shall be decided by the shareholders’ general meeting according to the laws, administrative regulations, departmental rules, securities regulatory body where the Bank’s stocks are listed for trading, the Articles of Association, and the Bank’s other internal rules.</p>	<p>Article 72 The shareholders’ general meeting is the organ of power of the Bank which exercises the following functions and powers according to law:</p> <p>....</p> <p>(17) determining the issuance of preference shares; determining or authorising the Board to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends;</p> <p>(17)(18) examining other matters which shall be decided by the shareholders’ general meeting according to the laws, administrative regulations, departmental rules, securities regulatory body where the Bank’s stocks are listed for trading, the Articles of Association, and the Bank’s other internal rules.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>Article 80 The following procedures shall be followed where shareholders require to convene an extraordinary general meeting of shareholders or a classified shareholder meeting:</p> <p>....</p> <p>(3) Where the board of directors does not agree to hold an extraordinary general meeting of shareholders or classified shareholders' meeting or fails to give a reply within ten (10) days upon receipt of the proposal, the shareholders that solely or collectively hold ten percent (10%) or more shares of the Bank shall have the right to propose the board of supervisors to hold an extraordinary general meeting of shareholders, and shall put forward the request to the board of supervisors in written form.</p> <p>(4) Where the board of supervisors agrees to hold an extraordinary general meeting of shareholders or a classified shareholders' meeting, it shall send out a notice within 5 days upon receipt of the request, any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders;</p> <p>(5) Where the board of supervisors fails to send out a notice on the extraordinary general meeting of shareholders or classified shareholders meeting within the prescribed time limit, it shall be regarded that the board of supervisors will not convene or preside over the meeting, and the shareholders that solely or collectively hold ten percent (10%) or more shares of the Bank for consecutively ninety (90) or more days may hold or preside over the meeting on their own initiatives.</p>	<p>Article 80 The following procedures shall be followed where shareholders require to convene an extraordinary general meeting of shareholders or a classified shareholder meeting:</p> <p>....</p> <p>(3) Where the board of directors does not agree to hold an extraordinary general meeting of shareholders or classified shareholders' meeting or fails to give a reply within ten (10) days upon receipt of the proposal, the shareholders that solely or collectively hold ten percent (10%) or more of total number of voting shares of the Bank shall have the right to propose the board of supervisors to hold an extraordinary general meeting of shareholders, and shall put forward the request to the board of supervisors in written form.</p> <p>(4) Where the board of supervisors agrees to hold an extraordinary general meeting of shareholders or a classified shareholders' meeting, it shall send out a notice within 5 days upon receipt of the request, any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders;</p> <p>(5) Where the board of supervisors fails to send out a notice on the extraordinary general meeting of shareholders or classified shareholders meeting within the prescribed time limit, it shall be regarded that the board of supervisors will not convene or preside over the meeting, and the shareholders that solely or collectively hold ten percent (10%) or more of total number of voting shares of the Bank for consecutively ninety (90) or more days may hold or preside over the meeting on their own initiatives.</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>Article 81 Where the board of supervisors or shareholders decide to convene the shareholders' general meeting on its/their own initiative, it/they shall send out a written notice to the board of directors, and shall put on the records of the dispatched office of the securities regulatory authority of the State Council at the locality of the Bank, the banking regulatory authority of the State Council and the Stock Exchange where the Bank's stocks are listed for trading.</p> <p>Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than ten percent (10%).</p> <p>The shareholders that convene the meeting shall, when sending out a notice on meeting and circulating an announcement on the resolution of the shareholders' general meeting, submit the relevant certification materials to the securities regulatory authority of the State Council at the locality of the Bank and the Stock Exchange where the Bank's stocks are listed for trading.</p>	<p>Article 81 Where the board of supervisors or shareholders decide to convene the shareholders' general meeting on its/their own initiative, it/they shall send out a written notice to the board of directors, and shall put on the records of the dispatched office of the securities regulatory authority of the State Council at the locality of the Bank, the banking regulatory authority of the State Council and the Stock Exchange where the Bank's stocks are listed for trading.</p> <p>Before the resolution of the shareholders' general meeting is announced, the proportion of voting shares of the Bank shares held by the summoning shareholders shall be no less than ten percent (10%).</p> <p>The shareholders that convene the meeting shall, when sending out a notice on meeting and circulating an announcement on the resolution of the shareholders' general meeting, submit the relevant certification materials to the securities regulatory authority of the State Council at the locality of the Bank and the Stock Exchange where the Bank's stocks are listed for trading.</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>Article 85 Where the Bank convenes a shareholders’ general meeting, the board of directors, the board of supervisors and the shareholders that solely or collectively hold three percent (3%) or more of the shares of the Bank may put forward a proposal to the Bank.</p> <p>The shareholders that solely or collectively hold three percent (3%) or more of the shares of the Bank may put forward an interim proposal and submit it to the convener in written form within ten (10) days before the meeting is held. The convener shall issue a supplementary notice on the meeting and announce the contents of the interim proposal within two (2) days upon receipt of the aforesaid proposal. If the listing rules state otherwise where the Bank’s stocks are listed, the contents shall meet the rules as well.</p> <p>....</p>	<p>Article 85 Where the Bank convenes a shareholders’ general meeting, the board of directors, the board of supervisors and the shareholders that solely or collectively hold three percent (3%) or more of the voting shares of the Bank may put forward a proposal to the Bank.</p> <p>The shareholders that solely or collectively hold three percent (3%) or more of the voting shares of the Bank may put forward an interim proposal and submit it to the convener in written form within ten (10) days before the meeting is held. The convener shall issue a supplementary notice on the meeting and announce the contents of the interim proposal within two (2) days upon receipt of the aforesaid proposal. If the listing rules state otherwise where the Bank’s stocks are listed, the contents shall meet the rules as well.</p> <p>....</p>
<p>Article 90 Unless otherwise required by relevant laws, regulations, listing rules of place(s) where the Bank’s shares are listed or the Articles of Association, the notice, information or written statement for the shareholders’ general meeting shall be served on the shareholders (whether or not entitled to vote at the general meeting) by special appointed person or prepaid mail, or publication on our website or other methods stipulated in the Articles of Association. The recipient address in the register of shareholders shall prevail. For the holders of domestic shares, the notice of the shareholders’ general meeting may be issued in the form of public notice.</p> <p>....</p>	<p>Article 90 Unless otherwise required by relevant laws, regulations, listing rules of place(s) where the Bank’s shares are listed or the Articles of Association, the notice, information or written statement for the shareholders’ general meeting shall be served on the shareholders entitled to attend (whether or not entitled to vote at the general meeting) by special appointed person or prepaid mail, or publication on our website or other methods stipulated in the Articles of Association. The recipient address in the register of shareholders shall prevail. For the holders of domestic shares, the notice of the shareholders’ general meeting may be issued in the form of public notice.</p> <p>....</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>Article 160 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the Board meetings of the Bank, and shall in particular, address their opinions to the Board meeting on the following matters:</p> <p>....</p> <p>(6) the appointment of external auditors, etc..</p>	<p>Article 160 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the Board meetings of the Bank, and shall in particular, address their opinions to the Board meeting on the following matters:</p> <p>....</p> <p>(6) the effect of the issuance of preference shares on the rights and interests of each class of shareholders;</p> <p>(6)-(7) the appointment of external auditors, etc..</p>
<p>Article 284 The profits after income tax paid by the Bank shall be distributed in the following order:</p> <p>(1) To make up the losses of the previous years;</p> <p>(2) To extract ten percent (10 %) of the statutory accumulation fund;</p> <p>(3) To extract fund for general preparation;</p> <p>(4) To extract the any accumulation fund by the resolutions of shareholders' general meeting;</p>	<p>Article 284 The profits after income tax paid by the Bank shall be distributed in the following order:</p> <p>(1) To make up the losses of the previous years;</p> <p>(2) To extract ten percent (10 %) of the statutory accumulation fund;</p> <p>(3) To extract fund for general preparation;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>(5) To distribute profits to shareholders.</p> <p>To distribute the profits in light of the proportions of shares held by shareholders, unless it is instructed by the Articles of Association to not distribute profits according to the proportions of shares held by shareholders.</p> <p>No further contribution may be required when the accumulated amount of the statutory reserve funds of the Bank reaches 50% of its registered capital. The shareholders' general meeting shall decide on whether to set aside discretionary reserve funds after setting aside statutory reserve funds and general reserves. The Bank shall not distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.</p> <p>If the shareholder' meeting distributes the profits by violating the provisions of the preceding paragraph before, the profits distributed must be refunded to the Bank.</p> <p>No profit may be distributed for the Bank's shares held by the Bank.</p>	<p>(4) To extract the any accumulation fund by the resolutions of shareholders' general meeting;</p> <p>(5) To distribute profits to shareholders.</p> <p>To distribute the profits in light of the proportions of shares held by shareholders, unless it is instructed by the Articles of Association to not distribute profits according to the proportions of shares held by shareholders.</p> <p>No further contribution may be required when the accumulated amount of the statutory reserve funds of the Bank reaches 50% of its registered capital. The shareholders' general meeting shall decide on whether to set aside discretionary reserve funds after setting aside statutory reserve funds and general reserves . The Bank shall not distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.</p> <p>If the shareholder' meeting distributes the profits by violating the provisions of the preceding paragraph before, the profits distributed must be refunded to the Bank.</p> <p>No profit may be distributed for the Bank's shares held by the Bank.</p> <p>The payment of dividends on preference shares should be subject to laws, administrative regulations, rules, and relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed and the preference shares are issued or listed, and the Articles of the Association.</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>Article 317 After checking the Bank’s assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders’ general meeting or the People’s Court for confirmation.</p> <p>After paying the liquidation cost, staff salary, labour insurance, statutory compensation and the outstanding taxes respectively, and after repayment of its debts in accordance with the provisions above, the remaining assets of the Bank shall be distributed to the shareholders of the Bank in proportion to their respective shareholdings.</p> <p>During the liquidation period, the Bank shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Bank shall not be distributed to the shareholders before the repayment in accordance with provisions of the preceding paragraph.</p>	<p>Article 317 After checking the Bank’s assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders’ general meeting or the People’s Court for confirmation.</p> <p>After paying the liquidation cost, staff salary, labour insurance, statutory compensation, the principal and interest of individual savings deposits and the outstanding taxes respectively, and after repayment of its debts in accordance with the provisions above, the remaining assets of the Bank shall be distributed to the shareholders of the Bank based on the types of their shares and in proportion to their respective shareholdings.</p> <p>During the liquidation period, the Bank shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Bank shall not be distributed to the shareholders before the repayment in accordance with provisions of the preceding paragraph.</p>
<p>New Article</p>	<p>Article 328 Unless otherwise specified in laws, administrative regulations, departmental rules, regulations of the securities regulatory authorities in the place where the shares of the Bank are listed or this Chapter, the rights and obligations of preference shareholders and management of preference shares shall be governed by the provisions relating to ordinary shares (including H shares) in the Articles of Association.</p>
<p>New Article</p>	<p>Article 329 The number of preference shares issued by the Bank shall not exceed 50% of the total number of ordinary shares of the Bank, and the capital raised from the issue of preference shares shall not be more than 50% of the net assets of the Bank prior to the relevant issuance (excluding the preference shares that have been redeemed or converted).</p>

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>New Article</p>	<p>Article 330 In accordance with relevant rules on regulatory capital for commercial banks, the Bank may formulate terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Bank shall convert 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 such conversion to banking regulatory authorities under the State Council for review and approval.</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

New Article	<p>Article 331 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 the 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 total number of outstanding preference shares shall be written down accordingly upon redemption of preference shares.</p> <p>The exercise by the Bank of its right to redeem the preference shares shall be subject to the fulfilment of the following conditions:</p> <ol style="list-style-type: none">(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. <p>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 then current period.</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>New Article</p>	<p>Article 332 Preference shareholders of the Bank shall enjoy the following rights:</p> <ol style="list-style-type: none">(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 334, to attend and vote at shareholders' general meetings;(4) upon the occurrence of the circumstances provided in Article 335, 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 of Association, register of shareholders, record of bondholders, minutes of shareholders' general meetings, resolutions of meetings of the Board, resolutions of meetings of the Board of Supervisors and financial reports; and(7) other rights conferred to preference shareholders by laws, administrative regulations, departmental rules and the Articles of Association.
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

New Article	<p>Article 333 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:</p> <ol style="list-style-type: none">(1) a request to convene an extraordinary general meeting of shareholders;(2) a request to convene and preside over a general meeting of shareholders;(3) a request to submit a proposal or an interim proposal to a general meeting of shareholders;(4) a request to nominate the directors and supervisors who are not staff representatives of the Bank;(5) identifying controlling shareholder(s) according to the relevant provisions of the Articles of Association(6) identifying person(s) restricted from serving as independent directors of the Bank according to the related provisions of the Articles of Association;(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, administrative regulations, departmental rules and the Articles of Association.
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>New Article</p>	<p>Article 334 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:</p> <ol style="list-style-type: none">(1) amendments to the Articles of Association that relate to preference shares;(2) reduction of the registered capital of the Bank by more than 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 events specified in laws, administrative regulations, departmental rules and the Articles of Association. <p>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 the Articles of Association. 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 (preference shares held by the Bank do not entitle the Bank to vote).</p> <p>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).</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

New Article	<p>Article 335 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 then current period dividend in full.</p> <p>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; 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 average trading price of our Bank's H ordinary shares in the 20 trading days prior to the announcement date of the Board resolution on the issuance plan for offshore preference shares); the adjustment method of the conversion price P is decided by the provisions agreed upon the issuance of preference shares; 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 resolution in respect of the issuance plan for offshore preference shares.</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>New Article</p>	<p>Article 336 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.</p> <p>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.</p> <p>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 regulatory capital 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 not paid to the preference shareholders in full by the Bank will not be accumulated to the following dividend periods.</p>
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APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>New Article</p>	<p>Article 337 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, administrative regulations, departmental rules and Article 317 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 then 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 preference shareholder as a proportion of the aggregate value of all preference shares of the Bank.</p>
<p>Article 331 All “over”, “within” in the Articles of Association include the relevant figure itself; “exceed”, “less than”, and “lower than” do not include the relevant figure itself.</p>	<p>Article 331 Article 341 All “over”, “within” in the Articles of Association include the relevant figure itself; “exceed”, “less than”, and “lower than” does not include the relevant figure itself; “total number of voting shares” mentioned in the Articles of Association only includes total number of ordinary shares and preference shares with restored voting rights.</p>

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.

1. Proposed plan for the A Share Offering

Details of the proposed A Share Offering are as follows:

(a) *Class of Shares to be issued*

domestic listed RMB ordinary Shares (A Shares)

(b) *Nominal value per share*

RMB1.00

(c) *Proposed stock exchange for the listing*

Shanghai Stock Exchange

(d) *Offering size*

The total number of A Shares to be issued will be not more than 1,927,000,000 A Shares, representing approximately 22.13% of the total enlarged issued share capital of the Bank after completion of the A Share Offering (without taking into account of the issuance and conversion of the Offshore Preference Shares).

The actual offering size will be determined by the Board as authorized by the Shareholders 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 individuals and institutional investors (excluding those in respect of which subscription has been prohibited under relevant laws and regulations). The Directors currently expect that no shareholder will become the substantial shareholders of the Bank after such issue.

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 A Shares are listed and comply with the requirements of the Listing Rules (where applicable).

(f) *Strategic placing*

The Bank may carry out strategic placings 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 based on the needs for business cooperation and scale of financing. 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) *Method of offering*

The offering will be conducted through a combination of placing to participants in the price consultation process through price consultation and online subscription pricing method, or through any other methods of offering as authorized by the CSRC.

(h) *Pricing methodology*

Taking into account the conditions in the capital markets 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 in accordance with pricing methods specified in the Measures on the Administration of Securities Offering and Underwriting or such other methods specified by relevant authorities of the PRC. In any event, the issue price of the A 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. The Directors also consider that it is appropriate and is in the best interest of the Bank and the Banks's shareholders as a whole that the issue price shall not be less than RMB6.33 (equivalent to HK\$7.12) per A Share, being the audited net asset value per Share as stated in the audited financial statements of the Bank for the year ended 31 December 2016, or such audited net asset value as stated in the latest audited financial statements of the Bank immediately before completion of the A Share Offering.

The Board confirms that under this mandate, the issue price shall not be less than RMB6.33 (equivalent to HK\$7.12 based on the exchange rate prescribed in this circular) per A Share, representing a discount of approximately 20.27% to the closing price of HK\$8.93 per H Share as quoted on the Stock Exchange on the Latest Practicable Date and a discount of approximately 20.89% to the average closing price of HK\$9.00 per H Share as quoted on the Stock Exchange for the last five trading days up to and including the Latest Practicable Date.

(i) *Form of underwriting*

The offering will be underwritten by the underwriter(s) on a standby commitment basis.

(j) *Time of issuance*

The Bank will select an appropriate time within the validity period of the resolutions to be passed at the annual general meeting and the class meetings (where applicable) to implement the

A Share Offering. The A Share Offering is subject to approval by CBRC and CSRC. 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. It is intended the timing for the implementation of the A Share Offering agreement(s) will comply with the relevant restrictions under the Listing Rules which apply to the initial public offer of the H Shares as stated in the prospectus.

The Bank currently estimates that the completion of the proposed A Share Offering, if materialized, may take place up to one to two years or more after obtaining the Shareholders' approval at the AGM to be held in May 2017, namely in the second quarter of 2018 to the second quarter of 2019 or beyond. Therefore, the Bank will comply with the restriction under Rule 10.08 as the A Share Offering will not be materialized within six months after listing of the Bank's H Shares.

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

Since H Shares of the Bank are listed on the Main Board of the Stock Exchange and the Bank intends to apply for the listing of A Shares on the Shanghai Stock Exchange, the Bank will make an application to convert into a joint stock company with limited liability with domestic and overseas listed shares.

(l) *Valid period of the resolutions*

The resolutions relating to the A Share Offering will be valid for 12 months from the day following the original expiry date (i.e. 29 June 2017) subject to passing the relevant special resolutions at the AGM and the Class Meetings (where applicable). The Board will consider proposing at the future Shareholders' general meeting to consider and approve the extension of the validity period of the resolutions relating to the A Share Offering if the A Share Offering is not completed within the 12-month validity period.

2. Reasons for and benefits of the A Share Offering

Considering the Bank's ongoing capital adequacy needs, the continuing slowdown trend of China's macro-economic development, the China's 13th Five-Year Plan, the percentage of shares to be issued to the public for A Share Offering in accordance with requirements of the relevant PRC laws and market practice and the market development, the Directors are of the view that the A Share Offering will further optimize the shareholder structure of the Bank, develop a domestic financing platform and enhance liquidity of the Shares of the Bank.

3. Authorisation to the Board to implement the A Share Offering

The Board will seek the Shareholders' authorization at the AGM and the Class Meetings respectively to authorize the Board to implement the A Share Offering for a validity period of 12 months from the day following the original expiry date (i.e. 29 June 2017), including but not limited to:

- (a) in accordance with the relevant regulatory requirements of the securities regulatory authorities of the PRC and outside the PRC and considering the conditions in the capital market, to be fully responsible for the improvement and implementation of the plan, including but not limited to, determining the number of shares to be offered, the issue price, the commitments of the Bank, the strategic placing, the specific offering date, offering methods, the allocation ratio of the fund and other matters relating to the implementation of the plan; to adjust the plan for the A Share Offering, unless required to be voted on the general meetings by relevant laws, regulations, regulatory documents and Articles of Association, in accordance with the circumstances arising from the actual implementation of the plan for the A Share Offering, the market conditions, policy adjustments and the views of regulatory authorities;
- (b) in accordance with the plan for the A Share Offering, to apply for vetting, registration, filing, approval and consent by relevant government agencies and regulatory authorities in, and out of, the PRC; to sign, execute, modify, complete and deliver any agreements, contracts or the necessary documents relating to the A Share Offering; to determine the fund raising account; to publish the statements and commitments relating to the A Share Offering and act appropriately;
- (c) to draft, modify, sign, deliver, publish, disclose, execute, suspend, and terminate any agreements, contracts, announcements, circulars or other necessary documents (including but not limited to letter of intent, prospectus, recommendation and guarantee agreement, underwriting agreement, listing agreement and intermediary service agreement) relating to the A Share Offering; to engage the sponsor, underwriter, legal counsel, accountant, receiving bank and other intermediaries relating to the A Share Offering; to determine and pay for the expenses relating to the A Share Offering;
- (d) to revise the relevant provisions of the Articles of Association and other governance documents relating to the A Share Offering in accordance with the actual issuance, and to handle the registration of the relevant changes with the industry and commerce authorities;
- (e) in accordance with the actual issuance, to handle the approval, filing and registration of the relevant changes with CBRC and the industry and commerce authorities;
- (f) to handle other matters which the Board consider as necessary, proper or appropriate matters for the A Share Offering; and
- (g) to authorize other director or relevant person to, acting individually or in concert, to handle specific matters relating to the implementation the plan for A Share Offering.

NOTICE OF AGM



锦州银行股份有限公司

Bank of Jinzhou Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 0416)

NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 annual general meeting (the “AGM”) of Bank of Jinzhou Co., Ltd. (the “Bank”) will be held at the meeting room of 34th Floor, No.68 Kiji Road, Jinzhou City, Liaoning Province, the PRC at 9:30 a.m. on Thursday, 25 May 2017 to consider and, if thought fit, to pass, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. To receive, consider and approve the annual report of the Bank for the financial year ended 31 December 2016;
2. To receive, consider and approve the report of the board of directors of the Bank for the year ended 31 December 2016;
3. To receive, consider and approve the report of the board of supervisors of the Bank for the year ended 31 December 2016;
4. To receive, consider and approve the appraisal report on Directors' performance of duties in 2016;
5. To receive, consider and approve the Bank's final financial accounts for the year ended 31 December 2016 and financial budget plan for the year ended 31 December 2017;
6. To consider and approve the Bank's profit distribution plan for the year ended 31 December 2016, namely the proposed distribution of a final dividend of RMB0.15 per share (tax inclusive) and RMB1,017,242,352.6 in aggregate (tax inclusive) for the year ended 31 December 2016;
7. To consider and approve the credit extension plan for related parties for the year 2017:
 - (1) Credit extension plan for Jinlian Holding Group and other 11 related parties;
 - (2) Credit extension plan for Jinzhou Shunda and Beizhen Deying;
8. To consider and approve the re-appointment of KPMG as the Bank's international and domestic auditors until the next annual general meeting of the Bank to be held in 2018, and to authorize the Board and authorized person of the Board to determine its remuneration;

NOTICE OF AGM

SPECIAL RESOLUTIONS

9. To consider and approve, item by item, the following items of the proposal on the non-public issuance of the Offshore Preference Shares by the Bank:
- (1) Type of preference shares to be issued;
 - (2) Number of preference shares to be issued and issue size;
 - (3) Par value and issue price;
 - (4) Maturity;
 - (5) Method of issuance and target investors;
 - (6) Lock-up period;
 - (7) Dividend distribution terms;
 - (8) Terms of mandatory conversion;
 - (9) Terms of conditional redemption;
 - (10) Restrictions on voting rights and terms of restoration of voting rights;
 - (11) Order of distribution on liquidation and procedures for liquidation;
 - (12) Security;
 - (13) Rating;
 - (14) Use of proceeds;
 - (15) Listing/trading arrangements;
 - (16) Validity period of the resolution for the issuance of the Offshore Preference Shares;

NOTICE OF AGM

10. To consider and approve the proposal on the authorisation to the Board and the persons authorised by the Board to deal with all matters relating to the issuance of the Offshore Preference Shares;
11. To consider and approve the proposed amendments to the articles of association of the Bank;
12. To consider and approve the extension of the validity period of the A Share Offering and the relevant authorisation matters;
13. To consider and approve the general mandate to issue new Shares; and
14. To consider and approve the issue of the Green Financial Bonds.

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

Jinzhou, the PRC, 10 April 2017

NOTICE OF AGM

Notes:

1. The register of members of the Bank will be closed from Tuesday, 25 April 2017 to Thursday, 25 May 2017, both days inclusive, during which period no transfer of Shares will be effected. In order to be qualified to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Bank (in respect of H Shares), namely Computershare Hong Kong Investor Services Limited, or to the Bank's registered office in the PRC (in respect of Domestic Shares) no later than 4:30 p.m. on Monday, 24 April 2017.
2. Shareholders of the Bank (the "**Shareholders**") who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
4. In order to be valid, the proxy form must be deposited, for the holders of H Shares, to the H share registrar of the Bank, Computershare Hong Kong Investor Services Limited, or for the holders of Domestic Shares, to the Bank's registered office in the PRC, not less than 24 hours before the time for holding the AGM (i.e. by Wednesday, 24 May 2017 at 9:30 a.m.). If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meetings should you so wish.
5. Shareholders shall produce their identity documents and supporting documents in respect of Shares held when attending the AGM. If corporate Shareholders appoints authorised representative to attend the AGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Bank. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the AGM.
6. Shareholders who intend to attend the AGM should complete and return the reply slip in writing by hand or by post to the Bank's H share registrar (for holders of H Shares) or the registered office of the Bank in the PRC (for holders of Domestic Shares) before Friday, 5 May 2017.
7. The AGM is expected to be held for less than half a day. Shareholders who intend to attend the AGM shall arrange and bear their own transportation and accommodation expenses.
8. The name and address of the Bank's H share registrar is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

Tel: 852-2862 8555
Fax: 852-2865 0990
9. The registered office of the Bank in the PRC is as follows:

No. 68 Keji Road
in Zhou City
Liaoning Province
The PRC

Contact person: Liu Liguo
Tel: 86-0416-3886952

NOTICE OF AGM

10. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the AGM, either in person or by proxy, in respect of such Share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the AGM or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Bank in respect of the joint holding.
11. The details of the aforesaid resolutions proposed for the consideration and approval of the AGM will be set out in the circular to be despatched by the Bank in due course.

As at the date of this notice, the Board comprises Mr. Zhang Wei, Ms. Chen Man, Ms. Zhao Jie, Mr. Wang Jing and Ms. Wang Xiaoyu, as executive Directors; Mr. Li Dongjun, Mr. Zhang Caiguang, Mr. Wu Zhengkui and Ms. Gu Jie, as non-executive Directors; Mr. Jiang Daxing, Mr. Deng Xiaoyang, Mr. Niu Sihu, Ms. Jiang Jian, Mr. Choon Yew Khee and Mr. Lin Yanjun, 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.*

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING



锦州银行股份有限公司

Bank of Jinzhou Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 0416)

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the class meeting of the holders of domestic shares (the “**Domestic Shareholders’ Class Meeting**”) of Bank of Jinzhou Co., Ltd. (the “**Bank**”) will be held at the meeting room of 34th Floor, No.68 Kiji Road, Jinzhou City, Liaoning Province, the PRC on Thursday, 25 May 2017 immediately after the conclusion of the annual general meeting of the Bank held on the same date or any adjournment thereof to consider and, if thought fit, to pass, with or without modifications, the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve, item by item, the following items of the proposal on the non-public issuance of the Offshore Preference Shares by the Bank:
 - (1) Type of preference shares to be issued;
 - (2) Number of preference shares to be issued and issue size;
 - (3) Par value and issue price;
 - (4) Maturity;
 - (5) Method of issuance and target investors;
 - (6) Lock-up period;
 - (7) Dividend distribution terms;
 - (8) Terms of mandatory conversion;
 - (9) Terms of conditional redemption;
 - (10) Restrictions on voting rights and terms of restoration of voting rights;
 - (11) Order of distribution on liquidation and procedures for liquidation;

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

- (12) Security;
 - (13) Rating;
 - (14) Use of proceeds;
 - (15) Listing/trading arrangements;
 - (16) Validity period of the resolution for the issuance of the Offshore Preference Shares;
2. To consider and approve the proposal on the authorisation to the Board and the persons authorised by the Board to deal with all matters relating to the issuance of the Offshore Preference Shares; and
 3. To consider and approve the extension of the validity period of the A Share Offering and the relevant authorisation matters.

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

Jinzhou, the PRC, 10 April 2017

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

Notes:

1. Holders of domestic shares (the “**Domestic Shareholders**”) whose names appear on the domestic share register of members of the Bank on Thursday, 25 May 2017 will be entitled to attend and vote at the Domestic Shareholders’ Class Meeting.
2. Domestic Shareholders who are entitled to attend and vote at the Domestic Shareholders’ Class Meeting may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves.
3. The instrument appointing a proxy must be in writing under the hand of a Domestic Shareholder or his attorney duly authorized in writing. If the Domestic Shareholders is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorized to sign the same.
4. In order to be valid, the proxy form must be deposited to the Bank’s registered office in the PRC, not less than 24 hours before the time for holding the Domestic Shareholders’ Class Meeting. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Domestic Shareholders from attending and voting in person at the Domestic Shareholders’ Class Meeting or any adjourned meetings should you so wish.
5. Domestic Shareholders shall produce their identity documents and supporting documents in respect of the domestic shares held when attending the Domestic Shareholders’ Class Meeting. If corporate Domestic Shareholders appoints authorized representative to attend the Domestic Shareholders’ Class Meeting, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors or other authorized parties of the corporate Shareholders or other notarially certified documents allowed by the Bank. Proxies shall produce their identity documents and the proxy form signed by the Domestic Shareholders or their attorney when attending the Domestic Shareholders’ Class Meeting.
6. Domestic Shareholders who intend to attend the Domestic Shareholders’ Class Meeting should complete and return the reply slip in writing by hand or by post to the registered office of the Bank in the PRC before Friday, 5 May 2017.
7. The Domestic Shareholders’ Class Meeting is expected to be held for less than half a day. Domestic Shareholders who intend to attend the Domestic Shareholders’ Class Meeting shall arrange and bear their own transportation and accommodation expenses.
8. The registered office of the Bank in the PRC is as follows:

No. 68 Keji Road
Jinzhou City
Liaoning Province
The PRC

Contact person: Liu Liguo
Tel: 86-0416-3886952
9. Where there are joint registered holders of any domestic share(s), any one of such joint holders may attend and vote at the Domestic Shareholders’ Class Meeting, either in person or by proxy, in respect of such domestic share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Domestic Shareholders’ Class Meeting or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Bank in respect of the joint holding.

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

10. The details of the aforesaid resolutions proposed for the consideration and approval of the domestic shareholders' class meeting will be set out in the circular to be despatched by the Bank in due course.

As at the date of this notice, the Board comprises Mr. Zhang Wei, Ms. Chen Man, Ms. Zhao Jie, Mr. Wang Jing and Ms. Wang Xiaoyu, as executive Directors; Mr. Li Dongjun, Mr. Zhang Caiguang, Mr. Wu Zhengkui and Ms. Gu Jie, as non-executive Directors; Mr. Jiang Daxing, Mr. Deng Xiaoyang, Mr. Niu Sihu, Ms. Jiang Jian, Mr. Choon Yew Khee and Mr. Lin Yanjun, 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.*

NOTICE OF H SHAREHOLDERS' CLASS MEETING



锦州银行股份有限公司

Bank of Jinzhou Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 0416)

NOTICE OF H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the class meeting of the holders of H shares (the “**H Shareholders’ Class Meeting**”) of Bank of Jinzhou Co., Ltd. (the “**Bank**”) will be held at the meeting room of 34th Floor, No.68 Kiji Road, Jinzhou City, Liaoning Province, the PRC on Thursday, 25 May 2017 immediately after the conclusion of the class meeting of the holders of domestic shares of the Bank held on the same date or any adjournment thereof to consider and, if thought fit, to pass, with or without modifications, the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve, item by item, the following items of the proposal on the non-public issuance of the Offshore Preference Shares by the Bank:
 - (1) Type of preference shares to be issued;
 - (2) Number of preference shares to be issued and issue size;
 - (3) Par value and issue price;
 - (4) Maturity;
 - (5) Method of issuance and target investors;
 - (6) Lock-up period;
 - (7) Dividend distribution terms;
 - (8) Terms of mandatory conversion;
 - (9) Terms of conditional redemption;
 - (10) Restrictions on voting rights and terms of restoration of voting rights;
 - (11) Order of distribution on liquidation and procedures for liquidation;

NOTICE OF H SHAREHOLDERS' CLASS MEETING

- (12) Security;
 - (13) Rating;
 - (14) Use of proceeds
 - (15) Listing/trading arrangements;
 - (16) Validity period of the resolution for the issuance of the Offshore Preference Shares;
2. To consider and approve the proposal on the authorisation to the Board and the persons authorised by the Board to deal with all matters relating to the issuance of the Offshore Preference Shares; and
 3. To consider and approve the extension of the validity period of the A Share Offering and the relevant authorisation matters.

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

Jinzhou, the PRC, 10 April 2017

NOTICE OF H SHAREHOLDERS' CLASS MEETING

Notes:

1. The H share register of members of the Bank will be closed from Tuesday, 25 April 2017 to Thursday, 25 May 2017, both days inclusive, during such period no transfer of H Shares will be effected. In order to be qualified to attend and vote at the H Shareholders' Class Meeting, all H Shares transfers documents accompanied by the relevant H share certificates must be lodged with the H share registrar of the Bank, Computershare Hong Kong Investor Services Limited no later than 4:30 p.m. on Monday, 24 April 2017.
2. Holders of H shares of the Bank who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy needs not be a Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of an H Shareholder or his attorney duly authorized in writing. If the H Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorized to sign the same.
4. In order to be valid, the proxy form must be deposited to the H share registrar of the Bank, Computershare Hong Kong Investor Services Limited not less than 24 hours before the time for holding the H Shareholders' Class Meeting. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude H Shareholders from attending and voting in person at the H Shareholders' Class Meeting or any adjourned meetings should you so wish.
5. H Shareholders shall produce their identity documents and supporting documents in respect of Shares held when attending the H Shareholders' Class Meeting. If corporate H Shareholders appoints authorized representative to attend the H Shareholders' Class Meeting, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors or other authorized parties of the corporate H Shareholders or other notarially certified documents allowed by the Bank. Proxies shall produce their identity documents and the proxy form signed by the H Shareholders or their attorney when attending the H Shareholders' Class Meeting.
6. H Shareholders who intend to attend the H Shareholders' Class Meeting should complete and return the reply slip in writing by hand or by post to the Bank's H share registrar, Computershare Hong Kong Investor Services Limited, on or before Friday, 5 May 2017.
7. The H Shareholders' Class Meeting is expected to be held for less than half a day. H Shareholders who intend to attend the H Shareholders' Class Meeting shall arrange and bear their own transportation and accommodation expenses.
8. The name and address of the Bank's H share registrar is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712—1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

Tel: 852-2862 8555
Fax: 852-2865 0990

NOTICE OF H SHAREHOLDERS' CLASS MEETING

9. Where there are joint registered holders of any H share(s), any one of such joint holders may attend and vote at the H Shareholders' Class Meeting, either in person or by proxy, in respect of such H share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the H Shareholders' Class Meeting or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Bank in respect of the joint holding.
10. The details of the aforesaid resolutions proposed for the consideration and approval of the H shareholders' class meeting will be set out in the circular to be despatched by the Bank in due course.

As at the date of this notice, the Board comprises Mr. Zhang Wei, Ms. Chen Man, Ms. Zhao Jie, Mr. Wang Jing and Ms. Wang Xiaoyu, as executive Directors; Mr. Li Dongjun, Mr. Zhang Caiguang, Mr. Wu Zhengkui and Ms. Gu Jie, as non-executive Directors; Mr. Jiang Daxing, Mr. Deng Xiaoyang, Mr. Niu Sihui, Ms. Jiang Jian, Mr. Choon Yew Khee and Mr. Lin Yanjun, as independent non-executive Directors.

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