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錦州銀行股份有限公司

Bank of Jinzhou Co., Ltd.*

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

(Stock Code: 0416)

(Stock Code of Preference Shares: 4615)

ANNOUNCEMENT ON DISTRIBUTION OF DIVIDENDS ON THE OFFSHORE PREFERENCE SHARES

I. The Meeting of the Board of Directors Approving the Dividend Distribution Plan of the Offshore Preference Shares

References are made to (1) the announcements of Bank of Jinzhou Co., Ltd. (the “**Bank**”) dated 22 March 2017, 20 October 2017 and 27 October 2017 in relation to the issuance of U.S.\$1,496,000,000 non-cumulative perpetual offshore preference shares (the “**Offshore Preference Shares**”) by the Bank; and (2) the circular of the Bank dated 18 April 2017 and the announcement of the Bank dated 25 May 2017 in relation to the approvals of the proposed non-public issuance of the Offshore Preference Shares by the ordinary shareholders of the Bank at the 2016 annual general meeting, the 2017 first class meeting for domestic shareholders and the 2017 first class meeting for H shareholders of the Bank held on 25 May 2017, and the authorization granted to the board of directors of the Bank (the “**Board**”) to deal with matters relating to the issuance and matters in connection with the Offshore Preference Shares while the Offshore Preference Shares remain outstanding, including, among others, determining and dealing with matters in relation to dividend payment to the holders of the Offshore Preference Shares in accordance with the requirements of the issuance terms of the Offshore Preference Shares.

According to the issuance terms of the Offshore Preference Shares, the Bank proposes to distribute the dividends on the Offshore Preference Shares on 27 October 2018. The aforesaid distribution plan of dividends of the Offshore Preference Shares was considered and approved at a Board meeting held on 28 August 2018.

II. The Dividend Distribution Plan of the Offshore Preference Shares

According to the issuance terms of the Offshore Preference Shares, the details of the distribution plan are as follows:

1. Dividend period: From and including 27 October 2017 to but excluding 27 October 2018
2. Record date: 22 October 2018
3. Dividend payment date: According to the terms and conditions of the Offshore Preference Shares, the dividend payment date should be 27 October 2018. But as 27 October 2018 is not a payment business day, the dividend payment date falls on 29 October 2018, being the next payment business day.
4. Recipients: Holders of the Offshore Preference Shares whose names appear on the register of members of the Bank, as maintained by The Bank of New York Mellon SA/NV, Luxembourg Branch, after the close of business of the Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream, Luxembourg”) on 22 October 2018.
5. Tax deductions: According to relevant laws and regulations, when the Bank distributes dividends for the Offshore Preference Shares, the income tax shall be withheld by the Bank at a rate of 10%. According to the requirements of the terms and conditions of the Offshore Preference Shares, the Bank will pay such income tax, in addition to the dividends for the Offshore Preference Shares.
6. Dividend rate and amount to be paid: The terms and conditions of the Offshore Preference Shares provide that the initial dividend rate before the first reset date is 5.50%. According to the principal amount of the Offshore Preference Shares, the dividend rate and the rate of the withheld income tax, the amount of dividends for the Offshore Preference Shares is confirmed as follows:

The Bank will distribute dividends for the Offshore Preference Shares of US\$91,422,222.22, of which US\$82,280,000 will be paid to the holders of the Offshore Preference Shares, and US\$9,142,222.22 will be the withheld income tax. The aforementioned Offshore Preference Shares dividends amount to approximately RMB630 million.

III. Measures for the Implementation of the Dividend Distribution Plan of the Offshore Preference Shares

The Bank will pay dividends for the Offshore Preference Shares to holders of the Offshore Preference Shares whose names appear on the register of members of the Bank on the record date. While the Offshore Preference Shares are held through Euroclear and Clearstream, Luxembourg, The Bank of New York Depository (Nominees) Limited, the depository of Euroclear and Clearstream, Luxembourg, would be the only holder of Offshore Preference Shares whose name would appear on the register of members of the Bank on the record date. The Bank's dividend payment obligations under the terms and conditions of the Offshore Preference Shares shall be regarded as having discharged once it has made the payment to or made the payment as directed by The Bank of New York Depository (Nominees) Limited. The ultimate investors should consult their respective custodians or intermediaries in relation to any queries on the subsequent transmission of the dividends through the clearing systems to the ultimate investors.

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

Jinzhou, the PRC
28 August 2018

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

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