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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)

(Stock Code of Preference Shares: 4615)

PROPOSED EXTENSION OF TERM OF VALIDITY OF FINANCIAL BONDS SPECIALISED FOR SMALL AND MICRO ENTERPRISES AND THE RELEVANT AUTHORISATION MATTERS AND PROPOSED ISSUE OF FINANCIAL BONDS

The board of directors (the “**Board**”) of Bank of Jinzhou Co., Ltd. (the “**Bank**”) is pleased to announce that, at the meeting of the Board held on 19 May 2020, it has resolved to seek the approval of the shareholders of the Bank (the “**Shareholders**”) for the following matters:

PROPOSED EXTENSION OF TERM OF VALIDITY OF FINANCIAL BONDS SPECIALISED FOR SMALL AND MICRO ENTERPRISES AND THE RELEVANT AUTHORISATION MATTERS

Reference is made to the announcement dated 24 March 2016, the circular dated 13 May 2016, the poll results announcement dated 29 June 2016 of the Bank in relation to, inter alia, the approval of the issue of financial bonds specialised for small and micro enterprises (the “**SME Bonds**”) and the authorisation granted to the Board to implement the issue of the SME Bonds (collectively known as “**SME Bonds and the Relevant Authorisation Matters**”), as well as the announcement of the Bank dated 23 May 2018, in relation to, inter alia, the extension of term of validity of the SME Bonds and the Relevant Authorisation Matters.

The original resolution regarding the SME Bonds and the Relevant Authorisation Matters was considered and approved at the annual general meeting of the Bank held on 29 June 2016. Such resolution and authorisation were initially valid for 24 months commencing on the date of the passing of such resolution at the said annual general meeting on 29 June 2016, which was then approved to be extended by 24 months commencing on 29 June 2018 at the 2018 first extraordinary general meeting of the Bank held on 21 September 2018.

Given the Bank's issue of the SME Bonds is still in progress, and the term of validity of above resolution and authorisation in relation to the SME Bonds and the Relevant Authorisation Matters is about to expire, the Board resolved to put forward the proposal to further extend the term of validity of the SME Bonds and the Relevant Authorisation Matters by 24 months, i.e. from 29 June 2020 to 28 June 2022, for the consideration and approval of the Shareholders at the general meeting to be held by the Bank. Other than the above extension of the term of validity of the SME Bonds and the Relevant Authorisation Matters, other details of the SME Bonds as disclosed in the circular of the Bank dated 13 May 2016 remain unchanged and will continue to be valid.

The Bank has obtained the approvals for the issue of the SME Bonds from China Banking and Insurance Regulatory Commission (the "CBIRC") Liaoning Bureau and the People's Bank of China on 24 April 2020 and 27 April 2020, respectively.

PROPOSED ISSUE OF FINANCIAL BONDS

With the view to accelerate the business innovation, optimise the structure of assets and liability and effectively lower the capital costs, the Board proposes to issue the financial bonds in the aggregate principal amount of not more than RMB14 billion (the "Financial Bonds") in accordance with relevant regulations including the National Management Measures for the Issue of Financial Bonds in the Inter-bank Bonds Market (全國銀行間債券市場金融債券發行管理辦法). The proposed issue of the Financial Bonds is subject to obtaining Shareholders' approval as a special resolution at the general meeting to be held by the Bank and necessary approvals from the People's Bank of China and the CBIRC.

Particulars of the proposed issue of the Financial Bonds are as follows:

Issue size	:	not more than RMB14 billion, which shall be issued in one or several tranches. The number of tranches and the size for each tranche shall be determined according to the capital needs of the Bank and the market conditions
Term	:	not more than 5 years
Category	:	including but not limited to the normal financial bonds, green financial bonds and other financial bonds that are not for the purpose of capital replenishment
Interest rate	:	to be determined through the book building method for centralized placement or in accordance with the results of public tendering on the bonds issuance system of the People's Bank of China according to the market conditions before the issuance
Issue method	:	to be publicly issued on the national inter-bank bonds market by way of book building by the book keeper for the centralized placement or to be issued by way of tendering on the bonds issuance system of the People's Bank of China
Issuance targets	:	members of the national inter-bank bond market (excluding the subscribers forbidden by the PRC laws and regulations)

Use of proceeds	:	to be utilized according to the applicable laws and regulations, the approval of the regulatory authorities and the category of the bonds
Term of validity of the resolution	:	24 months, commencing on the date of passing of the relevant special resolutions at the general meeting to be held by the Bank
Listing on the Stock Exchange	:	will not be listed on the Stock Exchange

It will also be proposed at the general meeting that the Board be authorised, for a period of 24 months, to implement the matters of the Financial Bonds, to delegate the senior management of the Bank to handle the relevant specific matters regarding the issuance of the Financial Bonds, to make appropriate adjustments to the issuance terms within the scope of the issuance plan as approved by the general meeting pursuant to the specific requirement of the relevant regulatory authorities (including but not limited to the determination of the issuance size, issuance term, coupon rate and the issuance method), and to take other actions necessary for the purposes of completing the issuance of the Financial Bonds (including but not limited to the engagement of necessary bond rating agencies and legal advisors).

GENERAL

The Bank will convene a general meeting to seek approval from the Shareholders for the above matters. The extension of the term of validity of the SME Bonds and the Relevant Authorisation Matters and the issue of the Financial Bonds are subject to approval by the relevant Shareholders by way of special resolutions at the general meeting. A circular containing, among other things, details of the above matters will be despatched to the Shareholders in due course.

The issue of the SME Bonds and the Financial Bonds is subject to certain conditions, including but not limited to the market condition, the Shareholders' approval at the general meeting (the proposed issue of the Financial Bonds is also subject to obtaining necessary approvals from the People's Bank of China and the CBIRC), and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H shares or other securities of the Bank.

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

Jinzhou, Liaoning Province, the PRC
19 May 2020

As at the date of this announcement, the Board comprises Mr. Wei Xuekun, Mr. Guo Wenfeng, Mr. Kang Jun, Mr. Yang Weihua and Mr. Yu Jun, as executive directors; Mr. Zhao Chuanxin, Ms. Ning Jie, Ms. Gu Jihong, Mr. Lyu Fei and Mr. Luo Nan, as non-executive directors; Mr. Xiao Geng, Mr. Xie Taifeng, Mr. Wu Jun, Mr. Wang Xiongyuan and Mr. Su Mingzheng 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.*