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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)

AUTHORIZATION TO ISSUE CAPITAL 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 29 July 2021, it has resolved to, among other things, seek the approval of the shareholders of the Bank (the “**Shareholders**”) for the Proposal on Issue of and Authorization on Capital Bonds (《資本債券發行及授權方案》) as detailed below:

THE PROPOSAL ON ISSUE OF AND AUTHORIZATION ON CAPITAL BONDS

In order to continuously satisfy the regulatory requirements on capital, taking into consideration the maturity of the Bank’s capital instruments in the next two years and to retain appropriate buffer, the Bank intends to issue undated capital bonds and/or tier-two capital bonds (collectively, the “**Capital Bonds**”) in one or several tranches in due course to replenish the other tier-one and/or tier-two capital of the Bank, subject to the approvals of the general meeting and relevant regulatory authorities.

- Types of instruments : the Capital Bonds proposed to be issued are undated capital bonds and/or tier-two capital bonds, which shall meet the eligibility criteria for other tier-one and/or tier-two capital instruments of commercial banks under the Administrative Measures on Capital of Commercial Banks (Trial) (《商業銀行資本管理辦法(試行)》)
- Issue size : not more than RMB18.0 billion (inclusive) of undated capital bonds and/or tier-two capital bonds in aggregate, and may be issued in one or several tranches provided that the accumulated issue size may not exceed RMB18.0 billion within the validity period of the resolution, and it is preliminarily expected that the undated capital bonds will not exceed RMB10.0 billion and the tier-two capital bonds will not exceed RMB8.0 billion
- Redemption option : the Bank shall be entitled to redeem the Capital Bonds to be issued in whole or in part with the approval of the regulatory authorities after five years from the date of issuance

Means of loss absorption	:	upon the occurrence of the triggering events specified in the issuing document(s), losses will be absorbed in full or in part by means of write-down
Term	:	undated capital bonds: consistent with the duration of the ongoing operation of the Bank tier-two capital bonds: not less than five years (inclusive)
Coupon interest rate	:	to be determined with reference to the market interest rate
Use of proceeds	:	in accordance with the applicable laws and regulations and subject to the approval of the regulatory authorities: undated capital bonds: to replenish the other tier-one capital of the Bank tier-two capital bonds: to replenish the tier-two capital of the Bank
Issue place	:	domestic markets
Validity period of the resolution	:	from the date of consideration and approval at the general meeting to 31 December 2023

The proposed issue of the Capital Bonds is subject to the approval of the Shareholders by a special resolution at a general meeting of the Bank, as well as the approvals of the China Banking and Insurance Regulatory Commission or its branches and other relevant regulatory authorities.

MATTERS RELATING TO AUTHORIZATION

In order to smoothly promote the issue of the Capital Bonds and effectively grasp the issue time window, it will be proposed at a general meeting of the Bank to authorize the Board to handle matters relating to the Capital Bonds under the principles and framework as considered and passed at the general meeting and pursuant to the aforementioned Proposal on Issue of the Capital Bonds. Such authorization includes but is not limited to the followings:

1. Determining matters relating to the issue to be applied to the regulatory authorities, such as the issue type, issue size, the method to determine the issue window, the method to determine the issue targets, and the method to determine the coupon interest rate.
2. Determining the specific terms for issue including the actual issue type, specific issue timing, number of issue times/tranches, actual issue place, issue method, issue period, issue amount, actual issue targets, issue interest rate, write-down or conversion triggering conditions, specific use of proceeds and guarantees, based on actual conditions.
3. Reporting to relevant regulatory authorities on the issue of the Capital Bonds, and making appropriate adjustments to the issuance proposal, reporting documents, bond name, formulation of the terms and other matters relating to the Capital Bonds in accordance with the regulations and approval requirements issued by the relevant regulatory authorities.
4. Signing necessary documents, appointing intermediaries such as underwriters, credit rating agencies, certified public accounting firms and law firms.

5. Arranging matters relating to the payment of principal and interest, the exercise of the redemption option subject to the redemption conditions and dealing with redemption, write-downs or conversions in accordance with the regulations and approval requirements issued by the relevant regulatory authorities.
6. Other specific matters relating to the issue of the Capital Bonds.

It is also proposed at the general meeting that the chairman, president and secretary to the Board of the Bank be delegated to determine and execute all such authorizations in connection with the issuance of the Capital Bonds, either individually or jointly, within the said issuance and authorization scheme. If, within the term of the resolution, the Board or its authorized persons has decided to issue the Capital Bonds and the Bank has also obtained regulatory approval, permission, filing or registration (if applicable) for the issue of the Capital Bonds within the term of the resolution, the Board or its authorized persons may decide that the Bank shall implement and complete the issuance of the Capital Bonds within the period of validity recognized in such approval, permit, filing or registration. This authorization shall be valid from the date of approval by the general meeting and ending on 31 December 2023.

General

The Bank will convene a general meeting to seek approval from the Shareholders for the above matters. A circular containing, among other things, details of the above matters will be dispatched to the Shareholders in due course.

The proposed issue of the Capital Bonds is subject to certain conditions, including but not limited to the market conditions, the Shareholders' approval at the general meeting, as well as the approvals of the China Banking and Insurance Regulatory Commission and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors of the Bank 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
29 July 2021

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; and Mr. Wu Jun, Mr. Xie Taifeng, Mr. Xiao Geng, 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.*