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Huishang Bank Corporation Limited*

徽商銀行股份有限公司*

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

(Stock Code: 3698 and 4608 (Preference Shares))

POSITIVE PROFIT ALERT

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Huishang Bank Corporation Limited (the “**Bank**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Bank and its potential investors that, based on the preliminary assessment made in the consolidated management accounts of the Group for the year ended December 31, 2017 which have not been audited or reviewed, the Group estimates that, as at December 31, 2017, the net profit of the Group will be approximately RMB7.8 billion, representing a year-on-year increase of approximately over 11%; the cost-to-income ratio of the Group will be approximately 25.9%, representing a year-on-year decrease of over one percentage point; the total assets of the Group will grow by approximately over 20% as compared with the year of 2016.

According to the information currently available, the Board considers that the increase in the Group's net profit was mainly attributable to (1) the increase in interest-earning assets and the stable capital support from the increase in assets by taking customer deposits; and (2) the further decrease in the cost-to-income ratio in light of the effective cost control due to rational business allocation and expense management.

The information contained in this announcement is based on the preliminary assessment made with reference to the consolidated management accounts of the Group for the year ended December 31, 2017, which have not been reviewed or audited by the Bank's auditors. The actual results of the Group may be different from those disclosed herein. Shareholders and potential investors of the Bank are advised to read the results announcement for the year ended December 31, 2017 of the Bank carefully. Such announcement is expected to be published before the end of March 2018.

Shareholders and potential investors of the Bank are advised to exercise caution when dealing in the shares of the Bank.

By order of the Board
Huishang Bank Corporation Limited*
Yi Feng
Secretary to the Board of Directors

Hefei, Anhui Province, PRC
February 13, 2018

As at the date of this announcement, the Board of the Bank comprises Wu Xuemin and Ci Yaping as executive directors; Zhang Feifei, Zhu Jiusheng, Qian Li, Lu Hui, Zhao Zongren, Qiao Chuanfu and Gao Yang as non-executive directors; Au Ngai Daniel, Dai Genyou, Wang Shihao, Zhang Shenghuai and Zhu Hongjun as independent non-executive directors.

** Huishang Bank Corporation Limited is not an authorized institution within the meaning of the Hong Kong 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/deposit-taking business in Hong Kong.*