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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))

COMPLETION OF NON-PUBLIC ISSUANCE OF DOMESTIC SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Huishang Bank Corporation Limited (the “**Bank**”) dated August 20, 2020 in relation to, among others, the issuance of Subscription Shares to the Subscribers under the General Mandate and the Share Subscription Agreements (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall bear the same meanings as those defined in the Announcement.

COMPLETION OF THE NON-PUBLIC ISSUANCE

The Board is pleased to announce that the conditions precedent under the Share Subscription Agreements have been fulfilled (including having obtained the approval from the Anhui Office of the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission for the Non-public Issuance, etc.). On January 4, 2021, the registration of the Subscription Shares under the Non-public Issuance was completed through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. Pursuant to the Non-public Issuance, 1,559,000,000 Domestic Shares have been issued by the Bank to DIFM and 176,000,000 Domestic Shares have been issued by the Bank to Anhui Transportation Holding. Accordingly, immediately after the Non-public Issuance, the registered capital of the Bank will increase to RMB13,889,801,211 and the total number of ordinary Shares of the Bank will increase to 13,889,801,211 shares, consisting of 10,411,051,211 Domestic Shares and 3,478,750,000 H Shares.

The net proceeds from the Non-public Issuance, after deducting relevant issuance expenses, are RMB9,893,752,170. All the net proceeds from the Non-public Issuance will be utilized to supplement the Bank's core tier 1 capital.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE BANK

The below sets out the shareholding structure of the Bank immediately before and after the completion of the Non-public Issuance:

	Immediately before the completion of the Non-public Issuance		Immediately after the completion of the Non-public Issuance	
	Number of Shares ^(Note 1)	Approximate percentage of the Bank's issued share capital	Number of Shares ^(Note 2)	Approximate percentage of the Bank's issued share capital
Domestic Shares				
SCL Foundation ^(Note 3)	224,781,227	1.85%	224,781,227	1.62%
Anhui Energy Group ^(Note 4)	1,017,752,253	8.37%	1,017,752,253	7.33%
DIFM (the Subscriber)	–	–	1,559,000,000	11.22%
Anhui Transportation Holding ^(Note 5) (the Subscriber)	515,935,874	4.24%	691,935,874	4.98%
Other domestic shareholders ^(Note 6)	6,917,581,857	56.92%	6,917,581,857	49.80%
Sub-total	8,676,051,211	71.38%	10,411,051,211	74.95%
H Shares				
SCL Foundation ^(Note 3)	1,245,864,400	10.25%	1,245,864,400	8.97%
Anhui Energy Group ^(Note 4)	329,973,600	2.71%	329,973,600	2.38%
Anhui Transportation Holding ^(Note 5) (the Subscriber)	2,999,700	0.02%	2,999,700	0.02%
Other public shareholders of H Shares	1,899,912,300	15.63%	1,899,912,300	13.68%
Sub-total	3,478,750,000	28.62%	3,478,750,000	25.05%
Total	12,154,801,211	100.00%	13,889,801,211	100.00%

Notes:

- The Bank has distributed a dividend to the Shareholders whose names appeared on the register of members of the Bank on Wednesday, July 11, 2018 on a pro rata basis of 1 share for every 10 shares (the “**Bonus Issue**”) pursuant to its 2017 profit distribution plan. For details, please refer to the circular dated April 13, 2018 and the announcement dated July 2, 2018 of the Bank. The shareholding structure of the Bank immediately before and after the completion of the Non-public Issuance represents the number of Shares held by the Shareholders of the Bank after the Bonus Issue.

2. As at the date of this announcement, the Bank has issued 44,400,000 offshore preference shares with a par value of RMB100 each. Pursuant to the Articles of Association, the holders of offshore preference shares of the Bank are not entitled to convene and attend any general meeting of the Bank or vote at any general meeting of the Bank, except as stated in the terms and conditions of the offshore preference shares. If any trigger event occurs, the offshore preference shares may be converted into H Shares in accordance with the conversion terms. For details, please refer to the announcements of the Bank dated November 3, 2016, November 10, 2016 and August 30, 2018. The shareholding structure of the ordinary Shares immediately after the completion of the Non-public Issuance does not take into account the impact of any trigger event, resulting in the mandatory conversion of preference shares to Shares, might have on the ordinary share capital of the Bank.
3. According to the disclosure of interests forms submitted to the Hong Kong Stock Exchange by SCL Foundation and its affiliates and as shown on the register of members for Domestic Shares of the Bank, and taking into account the increased numbers of Shares held by the Shareholders of the Bank after the Bonus Issue, immediately before and after the completion of the Non-public Issuance, Zhongjing Xinhua, Zhongjing Xinhua HK, Wealth Honest and Golden Harbour currently directly hold 224,781,227 Domestic Shares, 215,249,000 H Shares, 590,615,400 H Shares and 440,000,000 H Shares of the Bank, respectively; Zhongjing Xinhua HK, Wealth Honest and Golden Harbour are subsidiaries of Zhongjing Xinhua; Zhongjing Xinhua, Zhongjing Xinhua HK, Wealth Honest and Golden Harbour are controlled corporations of SCL Foundation, and therefore SCL Foundation is deemed to be interested in the Shares of the Bank held by the aforementioned companies. SCL Foundation and the aforementioned companies are core connected persons of the Bank, and their holdings of the Bank's H Shares are not regarded as being held by the public.
4. According to the disclosure of interests forms submitted to the Hong Kong Stock Exchange by Anhui Energy Group and its affiliates, the register of members for Domestic Shares of the Bank and as informed by the email from Anhui Energy Group, immediately before and after the completion of the Non-public Issuance, Anhui Energy Group, Anhui Wenergy, Xing An Holdings and Anhui Natural Gas currently hold 843,363,819 Domestic Shares, 150,814,726 Domestic Shares, 329,973,600 H Shares and 23,573,708 Domestic Shares of the Bank, respectively; Anhui Wenergy, Xing An Holdings and Anhui Natural Gas are the controlled corporations of Anhui Energy Group. Accordingly, Anhui Energy Group is deemed to have interests in the Shares of the Bank held by the above-mentioned companies. Immediately after the completion of the Non-public Issuance, the number of Shares of the Bank held by Anhui Energy Group and its controlled corporations represents less than 10% of the total issued share capital of the Bank. As a result, such companies cease to be core connected persons of the Bank and their holdings of the Bank's H Shares are regarded as being held by the public.
5. According to the register of members for Domestic Shares of the Bank and as informed by the email from Anhui Transportation Holding, immediately before the completion of the Non-public Issuance, Anhui Transportation Holding and Anhui Transportation Holding Group (H.K.) held 515,935,874 Domestic Shares and 2,999,700 H Shares of the Bank, respectively; Anhui Transportation Holding Group (H.K.) is a wholly-owned subsidiary directly controlled by Anhui Transportation Holding. Accordingly, Anhui Transportation Holding is deemed to be interested in the Shares of the Bank held by Anhui Transportation Holding Group (H.K.). Immediately after the completion of the Non-public Issuance, Anhui Transportation Holding holds 691,935,874 Domestic Shares of the Bank.
6. To the best of the knowledge of the Board and according to the latest information received by the Bank, immediately before and after the completion of the Non-public Issuance, the Bank has approximately 16,200 holders of Domestic Shares. And no single holder of Domestic Shares holds 10% or more of the total issued ordinary share capital of the Bank.
7. Any discrepancies between the total percentages and sum of items shown in the table are due to rounding.

Immediately before the completion of the Non-public Issuance, according to the public information and the knowledge of Directors, the Bank's public float is approximately 15.66%, lower than the minimum requirement of public float as required under Rule 8.08 of the Listing Rules. Immediately after completion of the Non-public Issuance, the Bank's public float increases to 16.08%. The Bank will constantly strive to restore the public float as soon as possible.

By order of the Board
Huishang Bank Corporation Limited*
Wu Xuemin
Chairman

Hefei, Anhui Province, China
January 4, 2021

As at the date of this announcement, the Board comprises Wu Xuemin and Zhang Renfu as executive directors; Zhu Yicun, Yan Chen, Wu Tian, Qian Dongsheng, Gao Yang, Wang Wenjin and Zhao Zongren as non-executive directors; Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng and Huang Aiming as independent non-executive directors.

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