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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))

PROPOSED CHANGE OF BUSINESS SCOPE AND PROPOSED AMENDMENT TO THE ARTICLES

The board of directors (the “**Board**”) of Huishang Bank Corporation Limited (the “**Bank**”) held a meeting on 26 March, 2021 and passed the resolutions on the proposed change of business scope of the Bank and the amendment to the Articles of Association of Huishang Bank Corporation Limited (the “**Articles**”).

PROPOSED CHANGE OF BUSINESS SCOPE

- (I) In 2014, the Bank obtained securities investment fund custody (“**Custody Business**”) qualification upon being approved by regulatory authorities, and carries out Custody Business. According to the Measures for the Administration of Securities Investment Fund Custody Business (Zheng Jian Hui Ling [No. 172], implemented on July 10, 2020)(《證券投資基金託管業務管理辦法》(證監會令[第172號], 2020年7月10日實施)) and the relevant provisions of China Securities Regulatory Commission on the institutions engaged in securities and funds business to apply for (renew) the Securities and Futures Business License (《經營證券期貨業務許可證》), the Bank proposed to clearly state the relevant content of the Custody Business in the business scope of the Bank’s business license.

(II) According to the Directory of Specification of Business Scope (for Trial Implementation) (《經營範圍規範表述目錄(試行)》) issued by the State Administration for Market Regulation, the business scope of the following (including but not limited to) various foreign exchange businesses and related ancillary activities involving licences and approvals shall be registered with the specification of “foreign exchange business”, and business activities can only be conducted after licences and approvals are obtained: foreign exchange deposits and loans; foreign exchange remittances; international settlement; credit investigation; consultation; witness business and foreign exchange conducted at designated outlets upon approval; foreign exchange transactions and other foreign exchange businesses. At present, the coverage of the expression “foreign exchange trading as principals or as agents” in the business scope of the Bank is relatively narrow.

In view of the above reasons, the Board proposed to change the business scope of the Bank including adding the content of “securities investment funds custody” and replacing “foreign exchange trading as principals or as agents” with “foreign exchange business” (the “**Change of Business Scope**”).

The business scope after the above changes is ultimately subject to change of industrial and commercial (filing) registration.

PROPOSED AMENDMENT TO THE ARTICLES

In view of the Bank’s intention of change of the business scope, the Board proposed to amend to the Articles accordingly (the “**Amendment to the Articles**”).

The specific contents of the Amendment to the Articles are set forth below (amendments are marked in bold, strikethrough and underline):

Article 13 The business scope of the Bank are as follows: taking deposits from the public; making short, medium and long-term loans; handling domestic and overseas payment settlements; accepting and discounting bills; issuing financial bonds; acting as agents to issue and honor and underwrite government bonds; trading government bonds and financial bonds; engaging in interbank lending; engaging in bank card business; engaging in ~~foreign exchange trading as principals or as agents~~ **foreign exchange business**; providing letters of credit and guarantee services; collecting and making payment as agents and acting as insurance agents; providing safe deposit box services; handling deposit and loan businesses as agents; securities investment funds custody; engaging in foreign exchange settlement and sales once approved by the People’s Bank of China; and any other business purposes approved by the banking regulatory authorities of the PRC.

Except for the Amendment to the Articles, the contents of other articles of the Articles remain unchanged.

The Change of Business Scope and the Amendment to the Articles would be submitted to the shareholders' general meeting for consideration and approval as special resolution. Meanwhile, the Board agreed to propose to the shareholders' general meeting to authorize the Board to, and the Board to delegate the authority to the senior management of the Bank to make corresponding adjustments to the textual expression of the business scope and the amendment to the Articles according to the approval or filing of the securities/banking and insurance industry regulatory authorities and the industrial and commercial registration authorities, and handle the relevant procedures for the Change of Business Scope and the Amendment to the Articles, including but not limited to regulatory approval, industrial and commercial (filing) registration of changes and business license renewal.

A circular of the shareholders' general meeting containing, among other things, the resolution on the Change of Business Scope and the Amendment to the Articles, together with a notice of the meeting, will be dispatched to the shareholders in due course.

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

Hefei, Anhui Province, China
26 March, 2021

As at the date of this announcement, the Board comprises Wu Xuemin and Zhang Renfu as executive directors; Zhu Yicun, Wu Tian, Yan Chen, 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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