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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.

Huishang Bank Corporation Limited (the “**Bank**”, together with its subsidiaries, the “**Group**”) hereby informs the shareholders and potential investors of the Bank that, based on the preliminary assessment on the 2021 interim consolidated management accounts of the Group for the six months ended June 30, 2021 which have not been audited or reviewed, the Bank estimates that, for the six months ended June 30, 2021, the net profit of the Group will increase by around 14% as compared with the same period of 2020; the cost-to-income ratio will be lower than 25%; the non-performing loan ratio will be lower than 1.7%; and the allowance to non-performing loan ratio will be over 220%.

According to the information currently available, the Bank considers that the increase in the Group’s net profit was mainly attributable to the constant increase in interest-earning assets in light of adhering to the development philosophy of serving real economy and constantly increasing credit extension; and certain achievements made by taking various measures such as collection, reorganization and write-off to intensify the disposal of non-performing assets.

The information contained in this announcement is based on the preliminary assessment made with reference to the 2021 interim consolidated management accounts of the Group for the six months ended June 30, 2021, which have not been reviewed or audited by the Bank’s auditors. The actual results of the Group may be different from those disclosed in this announcement. Shareholders and potential investors of the Bank are advised to read the interim results announcement for the six months ended June 30, 2021 of the Bank carefully. Such announcement is expected to be published before the end of August 2021.

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*
Yan Chen
(Temporarily performing the duties of the Chairman)
Executive Director

Hefei, Anhui Province, the PRC
July 23, 2021

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

* *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.*