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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)

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 estimate on the unaudited or unreviewed consolidated management accounts of the Group for the year ended December 31, 2021, for the year ended December 31, 2021, (1) the Group’s comprehensive operational capability was steadily improved, with total assets exceeding RMB1.38 trillion, representing an increase of 8.80%; operating income of approximately RMB35.514 billion, representing an increase of 9.98%; and net profit of approximately RMB11.785 billion, representing an increase of 18.79%; (2) the capital adequacy was further improved. The core tier I capital adequacy ratio was 8.45%, representing an increase of 0.41 percentage point as compared with the end of the previous year, and the capital adequacy ratio was 12.23%, representing an increase of 0.11 percentage point as compared with the end of the previous year; (3) the quality of assets remained stable and the ability to offset risks was significantly enhanced. The non-performing loan ratio was 1.78%, representing a decrease of 0.2 percentage point as compared with the end of the previous year; the provision coverage ratio was 239.74%, representing an increase of 57.84 percentage points as compared with the end of the previous year.

Based on the information currently available, the Bank considers that the Group’s improved performance in 2021 was mainly due to the following reasons: (1) the Bank adhered to the development philosophy of serving real economy and constantly increased credit extension, resulting in the constant increase in interest-earning assets; the Bank strengthened the refined management of expenses to keep the cost-to-income ratio at a lower level; (2) the Bank continued to optimize its asset structure and expand capital replenishment channels; and (3) good results was achieved 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 estimate made with reference to the consolidated management accounts of the Group for the year ended December 31, 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 2021 annual results announcement of the Bank carefully, which is expected to be published before the end of March 2022.

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
Chairman

Hefei, Anhui Province, the PRC
March 18, 2022

As at the date of this announcement, the Board of the Bank comprises Yan Chen and Zhang Renfu as executive directors; Ma Lingxiao, Zhu Yicun, Wu Tian, Wang Zhaoyuan, 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.*