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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)**

### **PROPOSED AMENDMENTS TO THE ARTICLES OF THE BANK**

The board of directors (the “**Board**”) of Huishang Bank Corporation Limited (the “**Bank**”) announces that in order to further improve the corporate governance of the Bank and promote the continuous high quality development of the Bank, in accordance with the Corporate Governance Standards for Banking and Insurance Institutions (the “**Governance Standards**”) and other regulatory regulations as well as taking into account the comments from the regulatory authority and the actual condition of the Bank, the Bank proposes to amend the Articles of Association of Huishang Bank Corporation Limited (the “**Articles**”) (the “**Proposed Amendments**”).

The Proposed Amendments include the amendments to 3 articles and the addition of 1 new article, with no deletion of any article. Please refer to **Appendix** to this announcement for details of the Proposed Amendments. The Board has considered and approved the Proposed Amendments. Meanwhile, the Board agreed to propose to the general meeting to authorize the chairman and his delegated persons to handle procedural matters such as application for approval, filing, announcement and industrial and commercial changes related to the Proposed Amendments.

The Proposed Amendments will be submitted to the general meeting for consideration and approval as a special resolution. The amended Articles shall be subject to the approval of the banking regulatory authority. The Bank will dispatch to the shareholders the circular and notice of the general meeting containing, among other things, the relevant resolution on the Proposed Amendments in due course.

The Proposed Amendments to the Articles are prepared in Chinese, and translated into English. In the event of any discrepancy between the English version and the Chinese version of the Articles, the Chinese version shall prevail.

By order of the Board  
**Huishang Bank Corporation Limited\***  
**Yan Chen**  
*Chairman*

Hefei, Anhui Province, the PRC  
December 20, 2023

*As at the date of this announcement, the Board of the Bank comprises Yan Chen and Kong Qinglong as executive directors; Ma Lingxiao, Shao Dehui, Wang Zhaohui, Wu Tian, Zuo Dunli, Gao Yang, Wang Wenjin and Zhao Zongren as non-executive directors; Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng, Huang Aiming and Xu Jiabin as independent non-executive directors.*

\* *Huishang Bank Corporation Limited is not an authorized institution within the meaning of the 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.*

## APPENDIX COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p><b>Article 147</b> Independent directors shall, in accordance with the relevant laws, administrative regulations and the Articles, perform their duties in an earnest manner and protect the overall interests of the Bank, and in particular ensure that the legitimate interests of depositors and minority shareholders of the Bank are not prejudiced.</p> <p>An independent director shall perform the duties and responsibilities independently, without any interference by controlling shareholders or de facto controllers of the Bank, or other entities or individuals who have a material interest in the Bank.</p>	<p><b>Article 147</b> Independent directors shall, in accordance with the relevant laws, administrative regulations and the Articles, perform their duties in an earnest manner and protect the overall interests of the Bank, and in particular ensure that the legitimate interests of depositors and minority shareholders of the Bank are not prejudiced.</p> <p>An independent director shall perform the duties and responsibilities independently, without any interference by controlling shareholders or de facto controllers of the Bank, or other entities or individuals who have a material interest in the Bank.</p> <p><b><u>If the Bank has a material defect or a failure in the corporate governance mechanisms, independent directors shall report relevant circumstances to the regulatory authorities in a timely manner. Other than reporting the relevant circumstances to the regulatory authorities in accordance with the requirements, independent directors shall maintain confidentiality of the Bank’s secrets.</u></b></p>	<p>To amend according to the requirements of Article 41 of the Governance Standards.</p>

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
Newly added Article 278	<p><b><u>Article 278 The senior management and employees of the Bank shall observe the laws, administrative regulations and the Articles, and shall have the following obligations of integrity to the Bank:</u></b></p> <p><b><u>(1) to abide by the law and practice professional integrity, to safeguard the interests of the State, the interests of the Bank and the legitimate rights and interests of the employees;</u></b></p> <p><b><u>(2) no acts of corruption, bribery, abuse of power, favoritism, embezzlement and compromising the rights and interests of State-owned assets;</u></b></p> <p><b><u>(3) to develop and improve good conduct, to focus on self-improvement, to enhance social responsibility awareness, to establish positive public image;</u></b></p> <p><b><u>(4) other obligations of integrity as stipulated by the party's discipline and regulations, laws and regulations and the Articles.</u></b></p>	To amend according to the relevant opinions of the regulatory authorities on the integrity of financial culture.

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p><b>Article 322</b> The after-tax profits of the Bank for the year shall be distributed in the following order of priority:</p> <ol style="list-style-type: none"> <li>(1) to make up for the losses of previous years;</li> <li>(2) to set aside 10% to statutory reserve funds;</li> <li>(3) to set aside general reserves;</li> <li>(4) to pay dividends on preference shares;</li> <li>(5) to set aside discretionary reserve funds; and</li> <li>(6) to divide profits and pay dividends to ordinary shareholders in proportion to their shareholdings.</li> </ol> <p>No further contribution may be required when the accumulated amount of the statutory reserve funds of the Bank reaches 50% of its registered capital. The shareholders' general meeting shall decide on whether to set aside discretionary reserve funds after setting aside statutory reserve funds and general reserves and payment of dividends on preference shares. The Bank shall not distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.</p> <p>Where the shareholders' general meeting distributes profits to shareholders in violation of the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.</p>	<p><b>Article <del>322</del>323</b> The after-tax profits of the Bank for the year shall be distributed in the following order of priority:</p> <ol style="list-style-type: none"> <li>(1) to make up for the losses of previous years;</li> <li>(2) to set aside 10% to statutory reserve funds;</li> <li>(3) to set aside general reserves;</li> <li>(4) to pay dividends on preference shares;</li> <li>(5) to set aside discretionary reserve funds; and</li> <li>(6) to divide profits and pay dividends to ordinary shareholders in proportion to their shareholdings.</li> </ol> <p>No further contribution may be required when the accumulated amount of the statutory reserve funds of the Bank reaches 50% of its registered capital. The shareholders' general meeting shall decide on whether to set aside discretionary reserve funds after setting aside statutory reserve funds and general reserves and payment of dividends on preference shares. The Bank shall not distribute profits to shareholders before making up losses and setting aside statutory reserve funds and general reserves.</p> <p>Where the shareholders' general meeting distributes profits to shareholders in violation of the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.</p>	<p>To amend according to the requirements of Article 6 of the Governance Standards.</p>

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p>Shares held by the Bank shall not participate in the distribution of profits.</p> <p>Where the capital adequacy ratio of the Bank does not meet the required standards of the relevant regulatory authorities, the Bank shall not distribute profits to investors. Under the premise of ensuring the capital adequacy ratio meets regulatory requirements, the Bank may distribute profits if it has distributable profits.</p> <p>The payment of dividends on preference shares should be subject to laws, administrative regulations, rules, relevant provisions of the securities regulatory authorities where the Bank's shares are listed and the preference shares are issued or listed, and the Articles.</p>	<p>Shares held by the Bank shall not participate in the distribution of profits.</p> <p>Where the capital adequacy ratio of the Bank does not meet the required standards of the relevant regulatory authorities, the Bank shall not distribute profits to investors. Under the premise of ensuring the capital adequacy ratio meets regulatory requirements, the Bank may distribute profits if it has distributable profits.</p> <p><b><u>The profit distribution of the Bank shall prioritize reasonable investment returns for investors, while considering the sustainable development of the Bank. It should comprehensively assess factors such as the Bank's capital adequacy ratio, risk management, annual operating plan, external operating environment, profitability and brand image.</u></b></p> <p>The payment of dividends on preference shares should be subject to laws, administrative regulations, rules, relevant provisions of the securities regulatory authorities where the Bank's shares are listed and the preference shares are issued or listed, and the Articles.</p>	

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p><b>Article 378</b> Interpretation</p> <p>(1) The “controlling shareholder(s) of the Bank” herein shall refer to the person(s) satisfying any of the following conditions:</p> <p>(i) the person may elect more than half of the directors when acting alone or in concert with others;</p> <p>(ii) the person may exercise or control the exercise of more than thirty percent of the total voting shares of the Bank when acting alone or in concert with others;</p> <p>(iii) the person holds more than thirty percent of total voting shares of the Bank when acting alone or in concert with others;</p> <p>(iv) the person may de facto control the Bank in any other manner when acting alone or in concert with others.</p>	<p><b>Article <del>378</del>379</b> Interpretation</p> <p>(1) The “controlling shareholder(s) of the Bank” herein shall refer to the person(s) satisfying any of the following conditions:</p> <p>(i) the person may elect more than half of the directors when acting alone or in concert with others;</p> <p>(ii) the person may exercise or control the exercise of more than thirty percent of the total voting shares of the Bank when acting alone or in concert with others;</p> <p>(iii) the person holds more than thirty percent of total voting shares of the Bank when acting alone or in concert with others;</p> <p>(iv) the person may de facto control the Bank in any other manner when acting alone or in concert with others.</p>	<p>To make wording improvement.</p>

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p>The term “acting in concert” herein means two or more persons who, by way of agreement (whether verbal or written), cooperation or related party relationships or other lawful means, enlarge the proportion of the shares in the Bank which are under their control or consolidate their control over the Bank, so that when exercising the voting rights of the Bank, the same expression of opinions will be made (including joint proposal of motions, joint nomination of directors, entrustment of the exercise of voting rights which do not state voting intention and other such situations, but excluding open proxy solicitation).</p> <p>(2) “De facto controller of the Bank” herein means a person who, though not a shareholder of the Bank, is able to get the de facto control of the Bank through investment relationships, agreement or other arrangements.</p> <p>(3) “Majority shareholders” herein means a shareholder who satisfies one of the following conditions:</p> <p>(i) holding more than 10% of the shares of the Bank;</p> <p>(ii) one who actually holds the largest number of shares in the Bank, with a shareholding ratio of not less than 5% (including shareholders holding the same number of shares);</p> <p>(iii) nominating more than two (2) directors;</p>	<p>The term “acting in concert” herein means two or more persons who, by way of agreement (whether verbal or written), cooperation or related party relationships or other lawful means, enlarge the proportion of the shares in the Bank which are under their control or consolidate their control over the Bank, so that when exercising the voting rights of the Bank, the same expression of opinions will be made (including joint proposal of motions, joint nomination of directors, entrustment of the exercise of voting rights which do not state voting intention and other such situations, but excluding open proxy solicitation).</p> <p>(2) “De facto controller of the Bank” herein means a person who, though not a shareholder of the Bank, is able to get the de facto control of the Bank through investment relationships, agreement or other arrangements.</p> <p>(3) “Majority shareholders” herein means a shareholder who satisfies one of the following conditions:</p> <p>(i) holding more than 10% of the shares of the Bank;</p> <p>(ii) one who actually holds the largest number of shares in the Bank, with a shareholding ratio of not less than 5% (including shareholders holding the same number of shares);</p> <p>(iii) nominating more than two (2) directors;</p>	



Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p>(iv) having a controlling influence on the operation and management of the Bank in the view of the Board of Directors of the Bank;</p> <p>(v) other circumstances as determined by the banking regulatory authority of the State Council or its local offices.</p> <p>The shareholding ratio of shareholders and their related parties and persons acting in concert shall be calculated on a consolidated basis. If the aggregate shareholding percentage meets the above requirements, the relevant shareholders shall be treated as the majority shareholders.</p> <p>(4) “Substantial shareholders” herein means the shareholder who can directly, indirectly, or jointly hold or control five percent or more of the shares or voting rights of the Bank, or shareholders who hold less than five percent of the total capital or total shares, but exert a significant impact on the operation and management of the Bank.</p> <p>The “significant impact” in the preceding paragraph includes but is not limited to appointing directors, supervisors or senior management to the Bank, affecting through agreements or in other ways, the decision making of finance, operation and management of the Bank, and other circumstances affirmed by the CBRC or its delegated authority.</p>	<p>(iv) having a controlling influence on the operation and management of the Bank in the view of the Board of Directors of the Bank;</p> <p>(v) other circumstances as determined by the banking regulatory authority of the State Council or its local offices.</p> <p>The shareholding ratio of shareholders and their related parties and persons acting in concert shall be calculated on a consolidated basis. If the aggregate shareholding percentage meets the above requirements, the relevant shareholders shall be treated as the majority shareholders.</p> <p>(4) “Substantial shareholders” herein means the shareholder who can directly, indirectly, or jointly hold or control five percent or more of the shares or voting rights of the Bank, or shareholders who hold less than five percent of the total capital or total shares, but exert a significant impact on the operation and management of the Bank.</p> <p>The “significant impact” in the preceding paragraph includes but is not limited to appointing directors, supervisors or senior management to the Bank, affecting through agreements or in other ways, the decision making of finance, operation and management of the Bank, and other circumstances affirmed by the CBRC or its delegated authority.</p>	

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p>(5) “Executive director” herein means a director holding other senior operation and management positions in addition to holding directorship of the Bank; “non-executive director” means a director of the Bank who does not hold a senior operation and management position; “Independent Director” means a director who does not hold other positions in the Bank other than a directorship and who has no relationship with the Bank, its shareholders, or de facto controllers that may affect their independent and objective judgment.</p> <p>(6) “Cumulative voting system” herein means at the shareholders’ general meeting where director(s) or supervisor(s) is/are elected, each share shall have the same number of voting rights as the number of director(s) or supervisor(s) to be elected. Shareholders’ voting rights may be exercised collectively.</p> <p>(7) In the Articles, the specific criteria for the words “important” and “major” as used in the expressions “important legal entities”, “major mergers and acquisitions”, “major external investments”, “major asset acquisitions”, “major asset disposals”, “major asset write-off” and “major external guarantees”, shall be determined by the specific authority granted by the shareholders’ general meeting to the Board of Directors and by the Board of Directors to the president.</p>	<p>(5) “Executive director” herein means a director holding other senior operation and management positions in addition to holding directorship of the Bank; “non-executive director” means a director of the Bank who does not hold a senior operation and management position; “Independent Director” means a director who does not hold other positions in the Bank other than a directorship and who has no relationship with the Bank, its shareholders, or de facto controllers that may affect their independent and objective judgment.</p> <p>(6) “Cumulative voting system” herein means at the shareholders’ general meeting where director(s) or supervisor(s) is/are elected, each share shall have the same number of voting rights as the number of director(s) or supervisor(s) to be elected. Shareholders’ voting rights may be exercised collectively.</p> <p>(7) In the Articles, the specific criteria for the words “important” and “major” as used in the expressions “important legal entities”, “major mergers and acquisitions”, “major external investments”, “major asset acquisitions”, “major asset disposals”, “major asset write-off” and “major external guarantees”, shall be determined by the specific authority granted by the shareholders’ general meeting to the Board of Directors and by the Board of Directors to the president.</p>	

Existing Article	Article after the Amendments	Reason for Amendments or Basis of Amendments
<p>(8) The term “physical meeting” in the Articles refers to a meeting held by means of onsite, video, telephone, etc., which ensures immediate communication and discussion among participants; and “circulating written resolution” in the Articles refers to a meeting convened by separate delivery or circulation of resolutions for consideration.</p>	<p>(8) The term “physical meeting” in the Articles refers to a meeting held by means of onsite, video, telephone, etc., which ensures immediate communication and discussion among participants; and “circulating written resolution” in the Articles refers to a meeting convened by separate delivery or circulation of resolutions for consideration.</p> <p>(9) <u>The term “banking business” in the Articles refers to taking deposits from the public; making short-term, medium-term and long-term loans; handling domestic and overseas payment settlements; handling bill acceptance and discount; issuing financial bonds; acting as an agent to issue, honor and underwrite government bonds; trading government bonds and financial bonds; engaging in inter-bank lending; engaging in foreign exchange trading as a principal or as an agent; engaging in bank card business; providing letters of credit and guarantee services; collecting and making payment as an agent and acting as an insurance agent; providing safe deposit box services; other businesses approved by the banking regulatory authorities of the State Council.</u></p>	

*Note:* As the Proposed Amendments involved addition of article, the serial numbers of relevant articles and cross references of the Articles have been adjusted accordingly without separate explanation.