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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)

VOLUNTARY ANNOUNCEMENT LAUNCH OF CREDIT ASSET-BACKED SECURITIZATION PLAN

This voluntary announcement is made by Huishang Bank Corporation Limited (the “**Bank**”).

The board of directors of the Bank (the “**Board**”) is pleased to announce that it has approved the credit asset-backed securitization plan of the Bank (the “**Plan**”), with an issue size of not more than RMB8 billion. The pool of underlying assets under the Plan consists of illiquid assets that are expected to bring in future cash flow, such as loans. The credit asset-backed securities (the “**Securities**”) issued pursuant to the Plan will have a term of not more than three years and will be subsequently listed and traded on the inter-bank bond market in the People’s Republic of China.

China Credit Trust Co., Ltd has been appointed by the Bank as the trustee and issuer of the first phase of the Plan, pursuant to which it will issue the Securities and use such proceeds to repay the Bank for the underlying assets under the Plan.

The first phase of the Plan has an issue size of approximately RMB3.09 billion and was completed on September 24, 2014. The Bank will use the net proceeds from the first phase of the Plan to (i) increase loans to small and medium enterprises to solve the financing problems of small and medium enterprises; (ii) increase loans to indemnificatory housing projects; and (iii) support the development of enterprises in relation to agricultural sectors, farmers and rural areas. The Board is of the view that the Plan will be able to optimize the credit assets of the Bank and facilitate the formation of a long-term mechanism to ensure capital adequacy of the Bank.

By order of the Board
Huishang Bank Corporation Limited
Li Hongming
Chairman

Hefei, Anhui, China
October 10, 2014

As at the date of this announcement, the Board of Directors of the Bank comprises Li Hongming, Xu Demei, Wu Xuemin, Zhang Renfu and Ci Yaping, as executive Directors; Zhang Feifei, Qian Zheng, Guo Shigang, Wu Tian and Gao Yang, as non-executive Directors; Au Ngai Daniel, Dai Genyou, Wang Shihao and Zhang Shenghuai, as independent non-executive Directors.

* *Huishang Bank Corporation Limited is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of 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.*