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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 PLACING OF H SHARES UNDER THE GENERAL MANDATE AND AUTHORIZATION TO DEAL WITH THE APPLICATIONS FOR THE SUSPENSION AND RESUMPTION OF THE REVIEW OF THE A SHARE ISSUANCE**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that, in order to comply with the regulatory requirements, to promote the development of the Bank's business and to strengthen the core competitiveness of the Bank, the Board resolved to propose the issue and placing of no more than 632,500,000 new H shares, representing 20% of the total number of H shares in issue as at the date of AGM (namely, 3,162,500,000 H shares) under the general mandate to issue shares granted to the Board by the Bank's shareholders at the AGM. The issue of the Placing Shares and related matters are subject to the approvals by the relevant PRC regulatory authorities (including the CSRC and the CBRC Anhui Office). The Bank will also make application to the Stock Exchange for the listing of and permission to trade the new H shares. Further details of the Share Offering will be disclosed pursuant to the requirements of the Listing Rules in due course.

Reference is made to the announcement of the Bank dated June 29, 2015 in relation to an acceptance by the CSRC of the application materials relating to the A Share Issuance by the Bank. Due to the recent great fluctuations in the PRC securities market, the progress of the A Share Issuance slowed down. It is expected that the A Share Issuance cannot be completed within a short period of time. In accordance with the requirements of the relevant PRC regulatory authority, the Bank is required to apply to the CSRC for the suspension of the review in respect of the A Share Issuance for the purpose of the Share Offering. The Board will apply to the CSRC for suspension of the review in respect of the A Share Issuance based on the progress of the Share Offering, and will apply to the CSRC for resumption of such review upon completion of the Share Offering. The Board authorizes the chairman of the Board, the president and the secretary to the Board (permitted to authorize other person(s) to act on their behalf) to, individually or jointly, deal with any matters in connection with the applications for suspension and resumption of the review.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **I. PROPOSED PLACING OF H SHARES UNDER THE GENERAL MANDATE**

The board of directors (the “**Board**”) of Huishang Bank Corporation Limited (the “**Bank**”) is pleased to announce that, in order to comply with the regulatory requirements, to promote the development of the Bank’s business and to strengthen the core competitiveness of the Bank, the Board resolved to propose the issue and placing (the “**Share Offering**”) of no more than 632,500,000 new H shares (the “**Placing Shares**”), representing 20% of the total number of H shares in issue as at the date of the 2014 annual general meeting (the “**AGM**”) of the Bank held on May 29, 2015 (namely, 3,162,500,000 H shares) under the general mandate to issue shares granted to the Board by the shareholders at the AGM. The issue of Placing Shares and related matters are subject to the approvals by the relevant regulatory authorities in the People’s Republic of China (the “**PRC**”) (including the China Securities Regulatory Commission (the “**CSRC**”) and the China Banking Regulatory Commission Anhui Office (the “**CBRC Anhui Office**”). The Bank will also make application to the Stock Exchange for the listing of and permission to trade the new H shares. Further details of the Share Offering will be disclosed pursuant to the requirements of the Listing Rules in due course.

The plan for the Share Offering is set forth as follows:

### **1. Class and nominal value of the Placing Shares**

The Placing Shares are ordinary H class shares of nominal value of RMB1.00 each.

### **2. Mode of offering**

The Share Offering will be conducted by non-public offering.

### **3. Placees**

The placees will be a total of no more than 10 investors who qualify for subscribing the H shares of the Bank. The exact number and identities of the placees will be determined by the then prevailing market conditions and the Bank’s actual situation.

### **4. Offering size**

No more than 632,500,000 H shares, representing 20% of the total number of H shares in issue as at the date of AGM and the date of this announcement will be issued in the Share Offering under the general mandate to issue shares granted to the Board at the AGM.

### **5. Mode of subscription**

The Placing Shares shall be subscribed in cash.

### **6. Issue price**

The Bank will determine the issue price by bring in competitive mechanism and by reference to the capital market conditions at the time of issue and the valuation of comparable companies in accordance with international practice and regulatory requirements based on full consideration of the interests of shareholders, appetite of investors and risks of issue, provided that, as a principle, the Placing Shares will be no lower than the audited net asset value per share of the Bank as at June 30, 2015. The audited financial report of the Bank as at June 30, 2015 was prepared in accordance with the PRC accounting standards and audited by PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership).

Meanwhile, the issue price of the Placing Shares shall not represent a discount of more than 20% to the benchmark price which shall be the higher of the followings:

- (1) the closing price of the Bank's H shares as at the date of execution of the relevant share placing and subscription agreement;
- (2) the average closing price of the Bank's H shares for the last five trading days up to and including the earliest of the following three dates:
  1. the date when the placing transaction or arrangement is announced;
  2. the date of execution of the relevant share placing and subscription agreement; or
  3. the date when the placing price or subscription price is fixed.

#### **7. Lock-up period for the Placing Shares**

Placees of the Share Offering shall undertake that they will not transfer the Placing Shares subscribed by them for a period of six months from the date of listing of the Placing Shares on the Stock Exchange. If a longer lock-up period is provided for in the relevant share placing and subscription agreement or under applicable laws and regulations of the PRC or other jurisdictions or required by any relevant regulatory authorities, then the longer period shall apply.

#### **8. Use of proceeds from the Share Offering**

The proceeds from the Share Offering (after deduction of related placing fees and expenses), will be used to replenish the Core Tier I capital of the Bank and in investments related to the Bank's businesses.

#### **9. Accumulated profit distribution plan**

The undistributed profits of the Bank accumulated prior to the Share Offering will be shared by all of the existing and new shareholders after the completion of the Share Offering.

#### **10. Authorizations to handle matters related to the Share Offering**

In order to ensure the successful implementation of the Share Offering, the Board authorizes the chairman of the Board, the president and the secretary to the Board (permitted to authorize other person(s) to act on their behalf) to, individually or jointly, handle all the matters relating to the Share Offering on the condition that other requirements of this resolution are complied with, including but not limited to:

- (1) to revise, optimize and implement the plan of the Share Offering (including but not limited to decisions on the offering size, placees, issue price and offering time) according to the applicable pricing rules as stated in relevant laws and regulations and other regulatory documents, market conditions, policy changes and opinions of regulatory authorities and stock exchange and by reference to the actual situation of the Bank;

- (2) to negotiate matters relating to subscription of the Placing Shares with subscribers (including the details of the share placing and subscription agreement) based on the plan of the Share Offering (including the particulars of the plan) and to finalize, sign, execute and complete the share placing and subscription agreement (including any supplemental agreement, if necessary);
- (3) to handle the matters relating to examination and approval, registration, filing, permission and consent with the relevant regulatory authorities, organizations and stock exchanges in and outside the PRC in relation to the Share Offering;
- (4) to decide on, sign, execute, revise, supplement, complete, deliver and issue all agreements, contracts and documents (including but not limited to announcements, circulars and other documents to be submitted to relevant regulatory authorities, organizations and stock exchanges in and outside the PRC) in connection with the Share Offering;
- (5) to decide on the engagement of professional intermediaries for the Share Offering and to determine the compensation and other related matters for such engagement;
- (6) following the completion of the Share Offering, to proceed with share registration, share lock-up and listing of shares; to effect the increase in the Bank's registered capital and handle examination and approval procedures with the relevant regulatory authorities and registration and filing procedures with the bureau for industry and commerce (including the application for change of registration and re-issue of business license);
- (7) to do all such matters which he may deem necessary, proper or expedient in connection with the Share Offering to the extent allowed by the relevant laws and regulations.

## **11. Term of the Share Offering**

Subscription of the Placing Shares (namely, delivery of H shares and payment for the subscription) shall be completed on or before February 29, 2016, otherwise the issue price and number of shares to be issued etc. shall, subject to the approval by the Board, be adjusted according to factors including the actual situation of the Bank and market conditions, etc.

## **12. Valid period of resolution**

The resolution for the Share Offering shall have the same valid period as that of the general mandate to issue H shares granted at the AGM.

Except for the application for the A Shares Issuance (as defined below) and proposed subscription of the Bank's new H shares by GOME Electrical Appliances Holding Limited, which had lapsed on January 31, 2015, the Bank has not conducted any fund raising activities or issued any equity securities within the twelve months immediately preceding the date of this announcement.

**The Share Offering is conditional on, among others, the entering into a share placing and subscription agreement with a selected placing agent (which may or may not materialize depending on, inter alia, the prevailing market conditions), the Bank having obtained all necessary approvals from the PRC regulatory authorities (including the CSRC and the CBRC Anhui Office), and the Stock Exchange granting the approval for the listing of and permission to trade the Placing Shares. As such, the Share Offering may or may not finalize.**

**Shareholders and prospective investors are advised to exercise caution in dealing in shares of the Bank.**

## **II. AUTHORIZATION TO DEAL WITH THE APPLICATIONS FOR THE SUSPENSION AND RESUMPTION OF THE REVIEW OF THE A SHARE ISSUANCE**

Reference is made to the announcement of the Bank dated June 29, 2015 in relation to an acceptance by the CSRC of the application materials relating to the initial public offering and listing of A shares by the Bank (the “**A Share Issuance**”). Due to the recent great fluctuations in the PRC securities market, the progress of the A Share Issuance slowed down. It is expected that the A Share Issuance cannot be completed within a short period of time. In accordance with the requirements of the relevant PRC regulatory authority, the Bank is required to apply to the CSRC for the suspension of the review in respect of the A Share Issuance for the purpose of the Share Offering. The Board will apply to the CSRC for suspension of the review in respect of the A Share Issuance based on the progress of the Share Offering, and will apply to the CSRC for resumption of such review upon completion of the Share Offering. The Board authorizes the chairman of the Board, the president and the secretary to the Board (permitted to authorize other person(s) to act on their behalf) to, individually or jointly, deal with any matters in connection with the applications for suspension and resumption of the review (including without limited to determining, executing and performing any documents in connection with the applications for suspension and resumption of the review, and publishing the relevant announcements and circulars, etc.).

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

Hefei, Anhui Province, the PRC  
September 24, 2015

*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, Zhu Jiusheng, Qian Li, Lu Hui, Zhao Zongren, Qiao Chuanfu and Gao Yang as non-executive Directors; Au Ngai Daniel, Dai Genyou, Wang Shihao, Zhang Shenghuai, Fung Weichang and Zhu Hongjun 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.*