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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)

**NEW ISSUE
OF**

**U.S.\$888,000,000 5.50% NON-CUMULATIVE PERPETUAL
OFFSHORE PREFERENCE SHARES**

(Stock Code: 4608)

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CCB International

Haitong International

UBS

Deutsche Bank

BOC International

HSBC

Joint Bookrunners and Joint Lead Managers (in alphabetical order)

ABC International

CEB International

**China Merchants Securities
(HK)**

CITIC CLSA Securities

CMB International

Credit Suisse

Essence International

**Guoyuan Capital
(Hong Kong) Limited**

**Shanghai Pudong
Development Bank Co., Ltd.,
Hong Kong Branch**

Pursuant to the approvals by the Anhui Bureau of China Banking Regulatory Commission (the “**CBRC Anhui Bureau**”) and the China Securities Regulatory Commission (the “**CSRC**”) in relation to the offshore preference shares proposed to be issued by Huishang Bank Corporation Limited (the “**Bank**”), the Bank has entered into the subscription agreement on 3 November 2016 with the Joint Global Coordinators and the Joint Lead Managers (the “**Subscription Agreement**”) in relation to the issuance of the U.S.\$888,000,000 5.50% Non-Cumulative Perpetual Offshore Preference Shares (the “**Offshore Preference Shares**”). The Offshore Preference Shares will have a par value of RMB100 but will be issued fully paid in U.S. dollars so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each. The Offshore Preference Shares will be issued in registered form and issued and transferable in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof. Please refer to the announcement of the Bank dated 3 November 2016 for further details of the Subscription Agreement and the Offshore Preference Shares.

An application has been made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of, and permission to deal in, the Offshore Preference Shares, and such permission is expected to become effective on 11 November 2016. The Offshore Preference Shares are offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Offshore Preference Shares in the primary or secondary markets unless they are professional investors. There are restrictions on the offer and sale of the Offshore Preference Shares in certain jurisdictions including, but not limited to, the United States, the PRC, Hong Kong, Japan, Singapore, Taiwan and the United Kingdom. The Offshore Preference Shares and the H shares issuable upon conversion of the Offshore Preference Shares have not been, and will not be, registered under the Securities Act. Accordingly, the Offshore Preference Shares and the H shares issuable upon conversion of the Offshore Preference Shares are not allowed to be offered or sold in the United States, except in those transactions where relevant exemption has been obtained or the registration requirements of the Securities Act are not applicable. The Offshore Preference Shares will be offered outside the United States in compliance with Regulation S under the Securities Act. In addition, the Offshore Preference Shares are not intended to be sold and should not be sold to retail clients in the European Economic Area, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time) other than in circumstances that do not and will not give rise to a contravention of those rules by any person.

The issuance of Offshore Preference Shares has been completed on 10 November 2016. The listing of the Offshore Preference Shares on the Hong Kong Stock Exchange is expected to become effective on 11 November 2016.

The total number of the Offshore Preference Shares to be issued is 44,400,000. Subject to applicable laws and regulations and the approvals by the relevant regulatory authorities such as the CBRC Anhui Bureau and the CSRC, the capital raised from the Offshore Preference Shares issuance, after deduction of the expenses relating to the issuance, expected to be approximately U.S.\$883,800,000, will be used to replenish the Bank's Additional Tier 1 Capital, increase the Tier 1 Capital Adequacy Ratio of the Bank and optimise the capital structure.

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

Hefei, Anhui Province, China
10 November 2016

As at the date of this announcement, the Board of the Bank comprises Li Hongming, Xu Demei, Wu Xuemin 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.*