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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 and 4608 (Preference Shares))

ANNOUNCEMENT ON UPDATE OF THE STATUS OF THE PUBLIC FLOAT

Reference is made to the various announcements in relation to the public float of the H shares of Huishang Bank Corporation Limited (the “**Bank**”) published by the Bank since May 11, 2016. The Bank wishes to update its shareholders and potential investors on the status of the public float of the Bank’s H shares.

UPDATE OF THE STATUS OF THE PUBLIC FLOAT OF THE BANK

Further to the announcement of the Bank dated July 31, 2017, the current public float of the Bank’s H shares is 19.68% and remains below the minimum of 25% as required under Rule 8.08(1)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

As at the date of this announcement, according to the disclosure of interests forms submitted to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by Shanghai Soong Ching Ling Foundation (上海宋慶齡基金會) (the “**SCL Foundation**”) and its affiliates, other public information and relevant information available, the shareholding structure of ordinary shares of the Bank is as follows:

Shareholder	Number of ordinary shares of the Bank held	Percentage of the issued share of the Bank in each class of shares ^(Note 4)	Percentage of the total issued ordinary shares of the Bank ^(Note 4)
The SCL Foundation ^(Note 1)			
Domestic shares	649,042,730	8.23%	5.87%
H shares	920,389,000	29.10%	8.33%
H shares held by persons who are accustomed to take instructions from a core connected person in relation to voting ^(Note 2)	67,431,000	2.13%	0.61%
Sub-total	1,636,862,730	-	14.81%
Other holders of domestic shares ^(Note 3)	7,238,276,553	91.77%	65.51%
Other public holders of H shares	2,174,680,000	68.76%	19.68%
Total	11,049,819,283	-	100.00%

Notes:

1. According to the disclosure of interests forms submitted to the Stock Exchange by the SCL Foundation and its affiliates, other public information and relevant information available, as at the date of this announcement, Zhongjing Xinhua Asset Investment Management Co., Ltd. (中靜新華資產管理有限公司) (“**Zhongjing Xinhua**”), Zhongjing Sihai Company Ltd. (中靜四海實業有限公司) (“**Zhongjing Sihai**”), Zhongjing Xinhua Property Management (Hong Kong) Co., Limited (“**Zhongjing Xinhua HK**”), Wealth Honest Limited (“**Wealth Honest**”) and Golden Harbour Investments Management Limited (“**Golden Harbour**”) currently directly holds 204,346,570 domestic shares, 444,696,160 domestic shares, 118,590,000 H shares, 469,230,000 H shares and 332,569,000 H shares of the Bank, respectively; Zhongjing Sihai, Zhongjing Xinhua HK, Wealth Honest and Golden Harbour are subsidiaries of Zhongjing Xinhua; Zhongjing Xinhua, Zhongjing Sihai, Zhongjing Xinhua HK, Wealth Honest and Golden Harbour are controlled corporations of the SCL Foundation, therefore the SCL Foundation is deemed to be interested in the shares of the Bank held by the aforementioned companies. The SCL Foundation and the aforementioned companies are core connected persons of the Bank, and their holdings of the Bank’s H shares are not regarded as being held by the public.

The Bank hereby reminds investors that, in recent information disclosures conducted by the Bank in accordance with the regulatory requirements, the Bank noticed that it was disclosed in the 2014, 2015 and 2016 annual audit reports of the SCL Foundation that it does not participate in the management of Zhongjing Industry (Group) Limited (中靜實業(集團)有限公司) (“**Zhongjing Industry**”), nor does it have significant influence or control over the company; and that, at the same time, according to the disclosures made by Zhongjing Xinhua (a subsidiary of Zhongjing Industry) in its Prospectus of Public Issuance of 2016 Corporate Bonds (First Tranche), its Prospectus of Public Issuance of 2016 Corporate Bonds (Second Tranche), its 2015 and 2016 corporate bonds annual reports as well as its clarification announcement on market rumours in relation to the de facto controller, the SCL Foundation currently holds 97.5% equity interests in Zhongjing Industry and is the de facto controller of Zhongjing Xinhua.

2. According to the disclosure of interests forms submitted to the Stock Exchange by Golden Harbour and its affiliates on January 25, 2017 and March 7, 2017, Golden Harbour acquired 400,000,000 H shares of the Bank by way of off-exchange trading on January 21, 2017, among which the acquisition of 332,569,000 H shares was completed on March 2, 2017. At present, the Bank has not obtained any information indicating that the acquisition of the remaining 67,431,000 H shares of the Bank had been completed. However, according to the email from Zhongjing Xinhua, the vendor(s) had undertook to appoint the person(s) designated by Golden Harbour as its (their) proxy to attend and vote at the general meeting(s) or class meeting(s) of the Bank in accordance with the instructions of Golden Harbour during the period from the date of the share sale and purchase agreement to the date of completion. As a result, these 67,431,000 H shares of the Bank are also considered not to be held by the public under Rule 8.24 of the Listing Rules.
3. To the best of the knowledge of the board of directors of the Bank (the “**Board**”) and according to the latest information received by the Bank, the Bank has more than 16,300 holders of domestic shares, and no single holder of domestic shares holds 10% or more of the total issued ordinary share capital of the Bank.
4. Any discrepancies between the percentage of total and sum of items shown in the table are due to rounding.
5. As at the date of this announcement, the Bank has issued 44,400,000 offshore preference shares with a par value of RMB100 each. Pursuant to the articles of association of the Bank, the holders of offshore preference shares of the Bank are not entitled to convene and attend any general meeting of the Bank or vote at any general meeting of the Bank, except as stated in the terms and conditions of the offshore preference shares. If any trigger event occurs, the offshore preference shares may be converted into H shares in accordance with the conversion terms. For further details, please refer to the announcements of the Bank dated November 3, 2016 and November 10, 2016.

PROPOSAL TO RESTORE PUBLIC FLOAT

The Bank is currently considering various options so as to restore its public float as soon as practicable, including (i) continuing to promote the initial public offering and the listing of A shares; (ii) contacting the substantial shareholders of the Bank and suggesting them to place down their shares in the Bank as soon as practicable; and (iii) seeking opportunities to conduct placing of H shares after considering the market conditions in full and with detailed planning.

The Bank will publish announcement(s) on a monthly basis to update its shareholders and potential investors on the status of the public float of the Bank and the measures that may be introduced by the Bank to restore its public float.

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*
Li Hongming
Chairman

Hefei, Anhui Province, PRC
August 31, 2017

As at the date of this announcement, the Board of the Bank comprises Li Hongming, 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 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.*