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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))**

### **PROPOSED A SHARE OFFERING**

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

#### **I. The Plan for the A Share Offering**

After the successful listing of its H shares, the Bank proposes to apply for an initial public offering and listing of A shares (the “**A Share Offering**”) in order to further optimize its corporate governance structure, develop domestic and international financing platforms and improve the liquidity of all shares held by its shareholders (the “**Shareholder(s)**”).

The board of directors of the Bank (the “**Board**”) is pleased to announce that, pursuant to the requirements of the relevant laws, regulations and normative documents, including the Company Law of the PRC, the Securities Law of the PRC, and the Measures for the Administration of Initial Public Offering and Listing of Shares and the Opinions of the China Securities Regulatory Commission (the “**CSRC**”) on Further Promoting the Initial Public Offering System Reform issued by the CSRC, the Bank formulates the plan for the A Share Offering, details of which are set out as follows:

- (1) Class of shares: RMB ordinary shares (A shares)
- (2) Nominal value per share: RMB1.00
- (3) Proposed stock exchange for the listing: Shanghai Stock Exchange

- (4) Offering size: Subject to the regulatory requirements of the place of listing regarding the minimum offering size, the number of A shares to be issued shall not exceed 1.5 billion shares. The number of A shares to be issued will be adjusted accordingly upon the occurrence of events including bonus issue and the conversion of capital reserve to share capital prior to the A Share Offering. All A shares will be issued as new shares. The actual total offering size will be determined based on capital requirements of the Bank, its communications with the regulatory authorities and the prevailing market conditions at the time of the offering.
- (5) Target subscribers: Target subscribers will be qualified individuals and institutional investors (except those prohibited by the relevant PRC laws, regulations, normative documents and other regulatory requirements applicable to the Bank).

If any of the above target subscribers of the A Share Offering is a connected person of the Bank, the Bank will take all reasonable measures to comply with the relevant listing rule requirements of the jurisdictions at which its shares are listed.

- (6) Strategic placing: The Bank may carry out strategic placings of part of its shares at the time of the A Share Offering to investors who satisfy the requirements under applicable laws and regulations and the development strategy of the Bank based on the needs for business cooperation and scale of financing. The specific placing ratio will be determined according to the requirements of laws and regulations and subject to market conditions at the time of such placing.
- (7) Mode of offering: The offering will be conducted through a combination of strategic placings to A share strategy investors, placings to target subscribers at a price to be determined between the Bank and the subscriber on an offline basis, and offerings to qualified public investors online at a fixed price, or through any other offering methods as authorized by the CSRC.
- (8) Pricing methodology: Taking into full account the interests of the existing Shareholders as a whole, and the actual conditions of the capital markets and the Bank at the time of the A Share Offering, the offering price of the A shares will be fixed through making enquiries with offline investors or fixed directly through negotiations between the lead underwriter(s) and the Bank, or by any other legally practicable methods.
- (9) Form of underwriting: The shares to be issued under the A Share Offering will be underwritten by an underwriting syndicate led by a lead underwriter on a standby commitment basis.
- (10) Conversion into a joint stock company with limited liability with domestic and overseas listed shares: According to the plan for the A Share Offering and taking into account the fact that the Bank has issued H shares in the H share market, the Bank will make an application to convert itself into a joint stock company with limited liability with domestic and overseas listed shares, subject to regulatory requirements.
- (11) Term of the offering plan: The plan for the A Share Offering shall be valid for 12 months from the date of approval at general meeting.

The Board has convened a meeting to pass the above plan for the A Share Offering, which shall be submitted to the Bank's general meeting for consideration and approval by way of special resolution. The Bank will convene a general meeting to review the plan for the A Share Offering and relevant proposals in due course.

## II. Impact of the A Share Offering on the Shareholding Structure of the Bank

The A Share Offering is expected to proceed by the Board exercising the general mandate of share offering authorized at the Bank's general meeting. The price of the A shares to be issued is determined after taking into full account the interests of the existing Shareholders as a whole, and the actual conditions of the capital markets and the Bank at the time of the A Share Offering, and will be in full compliance with Rule 13.36(5) of the Listing Rules.

Assuming that (1) 1.5 billion A shares are fully issued under the A Share Offering; (2) the issued share capital of the ordinary shares of the Bank remains unchanged prior to the completion of the A Share Offering; and (3) the number of shares held by the substantial Shareholders remains unchanged, the shareholding structure of the ordinary shares of the Bank as at the date of this announcement and immediately after the completion of the A Share Offering is set out as follows:

	As at the date of this announcement		Immediately after the completion of the A Share Offering	
	Number of ordinary shares <sup>(Note 1)</sup>	%	Number of ordinary shares	%
<b>Domestic Shares</b> <sup>(Note 2)</sup>				
Shanghai Soong Ching Ling Foundation (上海宋慶齡基金會) (the "SCL Foundation") <sup>(Note 3)</sup>	713,947,003	5.87	713,947,003	5.23
Anhui Province Energy Group Company Limited (安徽省能源集團有限公司) ("Anhui Energy Group") <sup>(Note 4)</sup>	994,178,545	8.18	994,178,545	7.28
Other holders of domestic shares <sup>(Note 2)</sup>	6,967,925,663	57.33	8,467,925,663	62.01
<b>Sub-total</b>	<b>8,676,051,211</b>	<b>71.38</b>	<b>10,176,051,211</b>	<b>74.52</b>
<b>H shares</b>				
The SCL Foundation <sup>(Note 3)</sup>	1,245,864,400	10.25	1,245,864,400	9.12
Anhui Energy Group <sup>(Note 4)</sup>	329,973,600	2.71	329,973,600	2.42
Other holders of H shares	1,902,912,000	15.66	1,902,912,000	13.94
<b>Sub-total</b>	<b>3,478,750,000</b>	<b>28.62</b>	<b>3,478,750,000</b>	<b>25.48</b>
<b>Total</b>	<b>12,154,801,211</b>	<b>100</b>	<b>13,654,801,211</b>	<b>100</b>

*Notes:*

1. The Bank has distributed a dividend to the Shareholders whose names appear on the register of members of the Bank on Wednesday, July 11, 2018 on a pro rata basis of 1 share for every 10 shares (the “**Bonus Issue**”) pursuant to its 2017 profit distribution plan. For details, please refer to the circular dated April 13, 2018 and the announcement dated July 2, 2018 of the Bank. The number of shares held by the Shareholders of the Bank as at the date of this announcement represents the number of shares held by the Shareholders of the Bank after the Bonus Issue.
2. Upon completion of the A Share Offering, all existing domestic shares in issue will be converted into A shares.
3. According to the disclosure of interests forms submitted to the Stock Exchange by the SCL Foundation and its affiliates and as shown on the domestic share register of members of the Bank, and taking into account the increased numbers of shares held by the Shareholders of the Bank after the Bonus Issue, 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 hold 224,781,227 domestic shares, 489,165,776 domestic shares, 273,449,000 H shares, 532,415,400 H shares and 440,000,000 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, and 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.
4. According to the disclosure of interests forms submitted to the Stock Exchange by Anhui Energy Group and its affiliates, the domestic share register of members of the Bank and the email notification from Anhui Energy Group, as at the date of this announcement, Anhui Energy Group, Anhui Province Wenergy Company Limited (安徽省皖能股份有限公司) (“**Anhui Wenergy**”) and Xing An Holdings Limited (“**Xing An Holdings**”) currently hold 843,363,819 domestic shares, 150,814,726 domestic shares and 329,973,600 H shares of the Bank, respectively. As Anhui Wenergy and Xing An Holdings are the controlled corporations of Anhui Energy Group, Anhui Energy Group is deemed to be interested in the shares of the Bank held by the aforementioned companies. Anhui Energy Group 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. Assuming the number of shares held by Anhui Energy Group and its controlled corporations or their shareholding remain unchanged after the date of this announcement till the completion of the A Share Offering, then upon completion of the A Share Offering, the number of shares of the Bank held by Anhui Energy Group and its controlled corporations will represent less than 10% of the total issued share capital of the Bank. As a result, such companies will cease to be core connected persons of the Bank and their holdings of the Bank’s H shares would be regarded as being held by the public.
5. To the best of the knowledge of the Board and according to the latest information received by the Bank, as at the date of this announcement, 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.
6. Any discrepancies between the percentage of total and sum of items shown in the table are due to rounding.
7. As at the date of this announcement, the Bank has issued 44,400,000 offshore preference shares with a par value of RMB100 per share. 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, November 10, 2016 and August 30, 2018.

Except for the Bonus Issue, the Bank did not carry out any fund-raising activities in connection with issue of share capital within the twelve months immediately preceding the date of this announcement. As of the date of this announcement, the public float of the H shares of the Bank is 15.66%, which is lower than the minimum as required under Rule 8.08 of the Listing Rules. It is expected that, upon completion of the A Share Offering, the public float in respect of the shares of the Bank will be restored in compliance with Rule 8.08 of the Listing Rules.

**The A Share Offering may or may not be completed. Shareholders and potential investors are advised to exercise caution when dealing in the H shares of the Bank. Further details of the A Share Offering will be provided by the Bank in due course.**

By order of the Board  
**Huishang Bank Corporation Limited\***  
**Wu Xuemin**  
*Chairman*

Hefei, Anhui Province, China  
December 30, 2018

*As at the date of this announcement, the Board of the Bank comprises 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, Zhu Hongjun and Zhou Yana as independent non-executive directors.*

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