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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))**

**NOTICE OF THE 2018 ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (the “AGM”) of Huishang Bank Corporation Limited\* (the “Bank”) will be held at 9:00 a.m. on Sunday, June 30, 2019 at the Hall, 11/F of the Bank, Block A, Tianhui Building, 79 Anqing Road, Hefei, Anhui Province, the PRC. Details are as follows:

**RESOLUTIONS**

- (1) To consider and approve the final financial accounts for 2018;
- (2) To consider and approve the financial budget for 2019;
- (3) To consider and approve the profit distribution plan for 2018;
- (4) To consider and approve the appointment of external auditors of the Bank for 2019;
- (5) To consider and approve the Work Report of the Board of Directors for 2018;
- (6) To consider and approve the Work Report of the Board of Supervisors for 2018;
- (7) To determine the remuneration standard for executive Directors for 2016;
- (8) To determine the remuneration standard for executive Directors for 2017;
- (9) To determine the remuneration standard for the former chairman of the Board of Supervisors for 2016;
- (10) To determine the remuneration standard for the former chairman of the Board of Supervisors for 2017;
- (11) To consider and approve the amendments to the Rules of Procedure of General Meetings of Huishang Bank Corporation Limited;

- (12) To consider and approve the amendments to the Rules of Procedure of the Board of Directors of Huishang Bank Corporation Limited;
- (13) To consider and approve the amendments to the Rules of Procedure of the Board of Supervisors of Huishang Bank Corporation Limited;
- (14) To consider and approve the election of Mr. He Jiehua as an executive Director of the fourth session of the Board of Directors of the Bank;
- (15) To consider and approve the election of Mr. Yan Chen as a non-executive Director of the fourth session of the Board of Directors of the Bank;
- (16) To consider and approve the general mandate for the issuance of Shares;
- (17) To consider and approve the plan on the initial public offering and listing of A Shares (“**A Share Offering**”) of the Bank:
  - (a) Class of shares
  - (b) Nominal value per share
  - (c) Proposed stock exchange for the listing
  - (d) Offering size
  - (e) Target subscribers
  - (f) Strategic placing
  - (g) Mode of offering
  - (h) Pricing methodology
  - (i) Form of underwriting
  - (j) Conversion into a joint stock company with limited liability with domestic and overseas listed shares
  - (k) Term of the offering plan
- (18) To consider and approve the resolution on the authorization of the Board to deal with specific matters in respect of the A Share Offering;
- (19) To consider and approve the resolution on the use of proceeds from the A Share Offering;

- (20) To consider and approve the resolution on the accumulated profit distribution plan before the A Share Offering;
- (21) To consider and approve the resolution on the three-year dividend plan after the A Share Offering;
- (22) To consider and approve the resolution on the price stabilization plan of A Shares within three years after the A Share Offering;
- (23) To consider and approve the resolution on the undertakings on the disclosure of information in the prospectus published in connection with the A Share Offering;
- (24) To consider and approve the resolution on the dilution of current returns as a result of the A Share Offering and remedial measures;
- (25) To consider and approve the resolution on the status report on the use of previously raised proceeds;
- (26) To consider and approve the resolution on the amendments to the Articles of Association of Huishang Bank Corporation Limited in connection with the A Share Offering;
- (27) To consider and approve the resolution on the amendments to the Rules of Procedure of General Meetings of Huishang Bank Corporation Limited in connection with the A Share Offering;
- (28) To consider and approve the resolution on the amendments to the Rules of Procedure of the Board of Directors of Huishang Bank Corporation Limited in connection with the A Share Offering;
- (29) To consider and approve the resolution on the amendments to the Rules of Procedure of the Board of Supervisors of Huishang Bank Corporation Limited in connection with the A Share Offering;
- (30) To consider and approve the resolution on the amendments to the Administrative Measures for the Control of Related Party Transactions of Huishang Bank Corporation Limited in connection with the A Share Offering;

**For the above resolutions, the resolutions numbered from (1) to (15) and (27) to (30) are ordinary resolutions and the resolutions numbered from (16) to (26) are special resolutions, among which each item under the A Share Offering Plan in Resolution (17) shall be individually approved.**

### **Other Matters**

- (31) To receive the Report on Related Party Transactions for 2018;
- (32) To receive the Duty Report by the Independent Non-executive Directors for 2018;
- (33) To receive the Supervisory and Appraisal Report by the Board of Supervisors on the Performance of Duties by the Board of Directors and Directors for 2018;
- (34) To receive the Appraisal Report by the Board of Supervisors on the Performance of Duties by the Supervisors for 2018;
- (35) To receive the Supervisory and Appraisal Report by the Board of Supervisors on the Performance of Duties by the senior management and its members for 2018; and
- (36) Strategic Development Plan of the Bank for 2020-2022.

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

Hefei, Anhui Province, the PRC  
May 15, 2019

*Notes:*

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), all votes of resolutions at the AGM will be taken by poll except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the voting results will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Bank ([www.hsbank.com.cn](http://www.hsbank.com.cn)) in accordance with the Listing Rules.

2. **Closure of register of members and eligibility for attending and voting at the AGM**

H Shareholders of the Bank are advised that the register of members of the Bank will be closed from Friday, May 31, 2019 to Sunday, June 30, 2019 (both days inclusive), during which time no transfer of H Shares of the Bank will be effected and registered. In order to qualify for attending and voting at the AGM, relevant transfer documents must be lodged with the Bank’s H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by 4:30 p.m. on Thursday, May 30, 2019.

Shareholders of the Bank whose names appear on the register of members of the Bank at the close of business on Thursday, May 30, 2019 are entitled to attend and vote at the AGM.

3. **Cash dividend payment arrangement**

According to the Bank’s profit distribution plan for the year ended December 31, 2018, the Board of Directors recommends a cash dividend of RMB0.56 (including tax) for every 10 shares in an aggregate amount of RMB681 million (including tax) to all shareholders. Subject to approval by the AGM, the cash dividend will be paid to Domestic Shareholders and H Shareholders whose names appear on the register of members on Wednesday, July 10, 2019. The proposed cash dividends payable are denominated in Renminbi, and will be paid to Domestic Shareholders in Renminbi and H Shareholders in Hong Kong dollars. Calculation of the exchange rate for dividends payable in Hong Kong dollars will be based on the central parity rate of the average exchange rate of Renminbi to Hong Kong dollars as announced by the People’s Bank of China on the five working days preceding the date of declaration of the dividend at the AGM (June 24, 2019 inclusive). The cash dividends are expected to be distributed by the end of August 2019. The Bank will make further announcements after convening of the AGM in relation to details of the cash dividend distribution arrangements, including closure of share register and expected payment date.

- (1) **Domestic Shareholders**

According to the relevant requirements of the Individual Income Tax Law of the People’s Republic of China, the Bank will withhold an individual income tax at the rate of 20% for natural person Shareholders whose names appear on the register of members for Domestic Shareholders on Wednesday, July 10, 2019.

The dividend for Domestic Shareholders without affirmed ownership will be kept temporarily by the Bank and distributed upon the confirmation of the ownership.

- (2) **H Shareholders**

The register of members in respect of the H Shares of the Bank will be closed from Friday, July 5, 2019 to Wednesday, July 10, 2019 (both days inclusive). In order to be entitled to the final dividend, H Shareholders of the Bank who have not registered the relevant transfer documents are required to lodge the transfer documents, together with the relevant share certificates, with the Bank’s H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, July 4, 2019.

Matters in relation to the proposed final dividend and income tax withheld in respect of dividends to be received by overseas non-resident individual/enterprise Shareholders as follows:

Pursuant to the Notice on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (國稅函[2011]348號)) of the State Administration of Taxation dated June 28, 2011, the dividends received by overseas resident individual Shareholders from the shares issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax, which shall be withheld and paid by the withholding agents according to the relevant laws. However, the overseas resident individual Shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China as well as the tax arrangements between Mainland China and Hong Kong (Macau).

Based on the above regulation, the Bank will withhold an individual income tax at tax rate of 10% for the individual H Shareholders. However, when other relevant tax regulations and tax arrangements have different requirements, the Bank will follow the requirement of the tax bureau.

The Bank will withhold an enterprise income tax at a tax rate of 10% for those non-resident corporate H Shareholders pursuant to the Law of the People's Republic of China on Enterprise Income Tax and relevant implementation rules which took effect from January 1, 2008.

For the purpose of payment of the dividend, "non-resident corporate Shareholders" refers to any Shareholders holding the Shares of the Bank in the name of non-individual Shareholders, which include but are not limited to the H Shareholders whose Shares are registered in the name of HKSCC Nominees Limited, other nominees or trustees, or other groups and organizations. Shareholders should read the above information carefully. If anyone would like to change the identity of the Shareholder, please enquire about the relevant procedures with the nominees or trustees. The Bank is neither obligated nor responsible for ascertaining the identity of the Shareholders. In addition, the Bank will withhold the enterprise income tax and the individual income tax in strict compliance with the relevant laws or regulations and the registered information on the H Shares register of members of the Bank as of the record date. The Bank will not entertain, or take any responsibilities for, any requests or claims in relation to any delay or inaccuracies in ascertaining the identity of the Shareholders or any disputes over the mechanism of withholding of the enterprise income tax and the individual income tax.

#### **4. Reply slip**

Shareholders intending to attend and vote at the AGM in person or by proxy should complete and lodge the accompanying reply slip and return it to the Bank's H share registrar (for H Shareholders) or the address of the registered office and principal place of business in the PRC (for Domestic Shareholders) of the Bank on or before Monday, June 10, 2019. The reply slip may be delivered by hand, by post or by fax to the Bank's H share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the address of the registered office and principal place of business in the PRC (for Domestic Shareholders) of the Bank. Completion and return of the reply slip will not preclude the Shareholders from attending and voting at the AGM.

However, the failure to return the reply slip may result in an adjournment of the AGM, if the number of Shares carrying voting rights represented by the Shareholders proposing to attend the AGM by reply slip does not reach more than half of the total number of shares of the Bank carrying voting rights at the AGM.

#### **5. Proxy**

Every Shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are members of the Bank, to attend and vote on his/her behalf at the AGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorized in writing. If the appointer is a legal person, the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. In order to be valid, the instrument appointing a proxy and the power of attorney or other documents of authority (if any) under which it is signed, or a copy of such authority notarially certified, must be completed and returned to the Bank's H share registrar (for H Shareholders) or the registered office and principal place of business in the PRC (for Domestic Shareholders) of the Bank no later than 24 hours before the time fixed for holding the AGM (i.e. 9:00 a.m. on Saturday, June 29, 2019) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

#### **6. Other businesses**

- (i) The AGM is expected to last for no more than half day. Shareholders and their proxies attending the meeting shall bear their own traveling and accommodation expenses.

(ii) The address of Computershare Hong Kong Investor Services Limited is:

17M Floor, Hopewell Centre,  
183 Queen's Road East,  
Wanchai, Hong Kong  
Tel No.: (852) 2862 8628  
Fax No.: (852) 2865 0990

The address of the registered office and principal place of business in the PRC of the Bank:

The Board Office  
Block A, Tianhui Building  
79 Anqing Road  
Hefei  
Anhui Province  
the PRC  
Tel No.: (86) 0551 6266 7787  
Fax No.: (86) 0551 6266 7787

*As of the date of this notice, the Board of Directors of the Bank comprises of Wu Xuemin, Zhang Renfu and Ci Yaping as executive Directors; Zhu Yicun, Wu Tian, Qian Dongsheng, Gao Yang, Wang Wenjin and Zhao Zongren as non-executive Directors; Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng, Huang Aiming and Hu Jun 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.*