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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))

DISTRIBUTION OF DIVIDENDS ON THE OFFSHORE PREFERENCE SHARES

Reference is made to (1) the announcements of Huishang Bank Corporation Limited (the “**Bank**”) dated November 3, 2016 and November 10, 2016 in relation to the issuance of U.S.\$888,000,000 offshore preference shares (the “**Preference Shares**”) by the Bank on November 10, 2016; and (2) the circular of the Bank dated April 12, 2016 and the announcement of the Bank dated June 20, 2016 in relation to the approvals of the proposed non-public issuance of the Preference Shares by the ordinary shareholders of the Bank at the 2015 annual general meeting, the 2016 first class meeting for domestic shareholders and the 2016 first class meeting for H shareholders, and the authorization given to the board of directors of the Bank (the “**Board**”) to deal with matters relating to the issuance and matters in connection with the Preference Shares while the Preference Shares remain outstanding, including, among others, determining and dealing with matters in relation to dividend payment to the holders of the Preference Shares in accordance with the issuance terms of the Preference Shares.

DISTRIBUTION PLAN OF DIVIDENDS ON THE PREFERENCE SHARES

The Board considered and approved, at the Board meeting held on August 24, 2018, to pay dividends to the holders of the Preference Shares in accordance with the issuance terms of the Preference Shares. Details of the distribution plan are as follows:

1. the total amount of dividends on the Preference Shares to be distributed shall be U.S.\$54,266,666.67, of which, U.S.\$48,840,000 shall be actually paid to the holders of the Preference Shares at a coupon rate of 5.5%; and U.S.\$5,426,666.67 shall be withheld and paid as the income tax at a rate of 10% according to relevant laws and regulations.
2. according to the terms and conditions of the Preference Shares, the second dividend distribution date shall be November 10, 2018, and the dividend calculation period shall begin on November 10, 2017 (inclusive) and end on November 10, 2018 (exclusive). Recipients shall be the persons registered on the register of members of the Preference Shares as of the closing of such clearing systems on November 9, 2018.
3. the chairman, the president or the secretary to the Board shall be authorised to individually or jointly handle all matters relating to the distribution of dividends on the Preference Shares.

According to the aforesaid distribution plan, the record date for the distribution of dividends on the Preference Shares shall be November 9, 2018 (the “**Record Date**”), and the dividend distribution date shall be November 10, 2018.

MEASURES FOR THE IMPLEMENTATION OF THE DISTRIBUTION PLAN OF DIVIDENDS ON THE PREFERENCE SHARES

The Bank will pay dividends on the Preference Shares to the holders of the Preference Shares registered on the register of members on the Record Date. The Preference Shares of the Bank are held through Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). As of the date of this announcement, DB Nominees (Hong Kong) Limited, in its capacity as common depository for Euroclear and Clearstream, Luxembourg, is the sole holder of the Preference Shares registered on the register of members. The Bank’s dividend payment obligations in relation to the Preference Shares shall be deemed fulfilled once it has procured payment of the dividends to DB Nominees (Hong Kong) Limited or has paid the dividends on the Preference Shares according to its instructions. The ultimate investors should consult their respective custodians or intermediaries in relation to any queries on the subsequent transmission of the dividends through the clearing systems to the ultimate investors.

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

Hefei, Anhui Province, China
August 24, 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.*