

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



Huishang Bank Corporation Limited*
徽商银行股份有限公司*

(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 2017 ANNUAL GENERAL MEETING OF
HUIZHANG BANK CORPORATION LIMITED**

NOTICE IS HEREBY GIVEN that the 2017 annual general meeting (the “AGM”) of Huishang Bank Corporation Limited* (the “Bank”) will be held at 9:00 a.m. on Tuesday, May 29, 2018 at the Hall, 11/F of the Bank, Block A, Tianhui Building, 79 Anqing Road, Hefei, Anhui Province, PRC. Details are as follows:

ORDINARY RESOLUTIONS

- (1) to consider and approve the final financial accounts of the Bank for 2017
- (2) to consider and approve the financial budget of the Bank for 2018
- (3) to consider and approve the appointment of external auditors of the Bank for 2018
- (4) to consider and approve the appraisal report on the performance of duties by Directors (including independent non-executive Directors) in 2017 by the Board of Directors of the Bank
- (5) to consider and approve the appraisal report on the performance of duties by Supervisors (including external Supervisors) in 2017 by the Board of Supervisors of the Bank
- (6) to consider and approve the work report of the Board of Directors of the Bank for 2017
- (7) to consider and approve the work report of the Board of Supervisors of the Bank for 2017
- (8) to consider and approve the election of Ms. Zhou Yana as an independent non-executive Director of the third session of the Board of Directors of the Bank

- (9) to consider and approve the resolution on the adjustment of the allowance standard for independent non-executive directors of the Bank
- (10) to consider and approve the resolution on the adjustment of the allowance standard for external supervisors of the Bank
- (11) to consider and approve the resolution on the determination of remuneration standard for executive directors of the Bank for 2015
- (12) to consider and approve the resolution on the determination of remuneration standard for the former chairman of the Board of Supervisors of the Bank for 2015

SPECIAL RESOLUTIONS

- (13) to consider and approve the Profit Distribution Plan of the Bank for 2017
- (14) to consider and approve the resolution on the general mandate for the issue of shares by the Bank
- (15) to consider and approve the resolution on amendments to the Articles of Association of Huishang Bank Corporation Limited

OTHER BUSINESSES

- (16) to receive the report on related party transactions of the Bank for 2017
- (17) to receive the duty reports of the independent non-executive Directors of the Bank for 2017
- (18) to receive the supervisory and appraisal report by the Board of Supervisors of the Bank on the performance of duties by the Board of Directors and its members for 2017
- (19) to receive the supervisory and appraisal report by the Board of Supervisors of the Bank on the performance of duties by the senior management and its members for 2017

By order of the Board of Directors
Huishang Bank Corporation Limited*
Wu Xuemin
Executive Director, Acting Chairman

Hefei, Anhui Province, China
April 13, 2018

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 for 2017 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) and the Bank (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 close from Sunday, April 29, 2018 to Tuesday, May 29, 2018 (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 Friday, April 27, 2018.

Shareholders of the Bank whose names appear on the register of members of the Bank at the close of business on Sunday, April 29, 2018 are entitled to attend and vote at the AGM.

3. **Dividend payment arrangement**

The Board of the Bank has recommended the adoption of a dividend distribution plan which combines share dividend with cash dividend. The proposed dividend distribution plan for 2017 is 1 Bonus Share for every 10 Shares (before tax) with a cash dividend of RMB0.25 for every 10 Shares (before tax), distributing a total of 1,104,981,928 Bonus Shares (including 788,731,928 Bonus Domestic Shares and 316,250,000 Bonus H Shares) and a total cash dividend of approximately RMB276.2455 million. The dividend distribution proposal will be submitted to the AGM for consideration. Subject to approval of the proposal at the AGM, the dividend will be paid to Domestic Shareholders and H Shareholders whose names appear on the register of members on Thursday, June 7, 2018. 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 average central parity rate of Renminbi against 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 (May 29, 2018 inclusive). After the profit distribution plan for 2017 is approved by the AGM, the date of despatch of the certificates for the Bonus H Shares and the cheques for the cash dividend is expected to be Friday, July 27, 2018, and the date of the commencement of dealings in the Bonus H Shares is expected to be Monday, July 30, 2018. The Bank will make further announcements after convening the general meeting in relation to the details of the dividend distribution arrangement. The Bank also will issue a separate announcement if there is any change to the expected date of the distribution as mentioned above.

- (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 Thursday, June 7, 2018.

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 Saturday, June 2, 2018 to Thursday, June 7, 2018 (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 Friday, June 1, 2018.

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:

- 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 dividend (bonus) received by the 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" refer to any Shareholders holding the Shares of the Bank in the name of non-individual Shareholders, which include but 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 at 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.

(3) *Mainland's Shareholders of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect*

Pursuant to the Notice on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) and the Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127), which were jointly released by the Ministry of Finance, the State Administration of Taxation and the CSRC on October 31, 2014 and November 5, 2016, respectively, for dividends obtained by the mainland individual investors from H shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, such H-share companies shall apply to China Securities Depository and Clearing Corporation Limited (hereinafter referred to as the "CSDC") for providing the register of mainland individual investors and withhold individual income tax at 20% tax rate from mainland individual investors whose names are listed on such register provided by the CSDC. While for dividends obtained by the mainland individual investors from non-H shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the CSDC will withhold individual income tax at 20% tax rate. Individual investors may, by producing valid tax payment certificates, apply to the competent tax authority under the CSDC for tax credit relating to the withholding tax already paid abroad.

For dividend income obtained by the mainland security investment funds from shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, individual income tax shall be withheld according to the above regulations. For dividend income obtained by the mainland corporate investors from shares listed on the Hong Kong Stock Exchange invested by them through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, such income shall be included in their total revenue and enterprise income tax shall be withheld by law. Meanwhile, for dividend income obtained by mainland resident enterprises from holding H shares for 12 consecutive months, enterprise income tax shall be exempted by law. H-share companies listed on Hong Kong Stock Exchange shall apply to the CSDC for providing the register of the mainland enterprise investors. The H-share companies shall not withhold income tax of dividends for mainland enterprise investors and such investors shall declare and pay relevant tax themselves.

If the H Shareholders of the Bank have any queries regarding the above tax arrangements, please consult your tax consultants regarding the tax impacts in Mainland China, Hong Kong and other countries (regions) for holding and selling the Bank's H Shares.

4. **Reply slip**

Shareholders intending to attend and vote at the AGM for 2017 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 Wednesday, May 9, 2018. 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 for 2017.

However, the failure to return the reply slip may result in an adjournment of the AGM for 2017, if the number of Shares carrying voting rights represented by the Shareholders proposing to attend the AGM for 2017 by reply slip does not reach more than half of the total number of shares of the Bank carrying voting rights at the AGM for 2017.

5. **Proxy**

Every Shareholder who has the right to attend and vote at the AGM for 2017 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 for 2017.

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 for 2017 (i.e. before 9:00 a.m. on Monday, May 28, 2018) 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 for 2017 or at any adjourned meeting should you so wish.

6. **Other businesses**

(1) The AGM for 2017 is expected to last for no more than half a working day. Shareholders and their proxies attending the meeting shall bear their own traveling and accommodation expenses.

(2) 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 at the date of this notice, the Board of Directors 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 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.*