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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 status of the public float of the H shares of Huishang Bank Corporation Limited (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 since the announcement made by the Bank on February 28, 2018.

UPDATE OF THE STATUS OF THE PUBLIC FLOAT OF THE BANK

The current public float of the Bank’s H shares is 15.65% 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**”), Anhui Province Energy Group Company Limited (安徽省能源集團有限公司) (“**Anhui Energy Group**”) and their respective 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 shares of the Bank in each class of shares ^(Note 5)	Percentage of the total issued ordinary shares of the Bank ^(Note 5)
The SCL Foundation ^(Note 1)			
Domestic shares	649,042,730	8.23%	5.87%
H shares	1,002,604,000	31.70%	9.07%
H shares held by persons who are accustomed to take instructions from Zhongjing Xinhua Property Management (Hong Kong) Co., Limited (“ Zhongjing Xinhua HK ”) in relation to voting ^(Note 2)	130,000,000	4.11%	1.18%

Shareholder	Number of ordinary shares of the Bank held	Percentage of the issued shares of the Bank in each class of shares ^(Note 5)	Percentage of the total issued ordinary shares of the Bank ^(Note 5)
Anhui Energy Group ^(Note 3)			
Domestic shares	903,798,677	11.46%	8.18%
H shares	300,145,000	9.49%	2.72%
Sub-total	2,985,590,407	–	27.02%
Other holders of domestic shares ^(Note 4)	6,334,477,876	80.31%	57.33%
Other public holders of H shares	1,729,751,000	54.70%	15.65%
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 HK, Wealth Honest Limited (“**Wealth Honest**”) and Golden Harbour Investments Management Limited (“**Golden Harbour**”) currently directly hold 204,346,570 domestic shares, 444,696,160 domestic shares, 118,590,000 H shares, 484,014,000 H shares and 400,000,000 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, 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 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; 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), Prospectus of Public Issuance of 2016 Corporate Bonds (Second Tranche), its 2015 and 2016 corporate bonds annual reports, and its 2017 interim report as well as its clarification announcement dated August 14, 2017 on the Shanghai Stock Exchange on market rumours in relation to the *de facto* controller of Zhongjing Xinhua, 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 the SCL Foundation and its affiliates and as informed by the email from Zhongjing Xinhua, Zhongjing Xinhua HK proposed to acquire 130,000,000 H shares of the Bank by way of off-exchange trading on January 4, 2018, the share transfer of which has not been completed yet. According to the agreement between Zhongjing Xinhua HK and the vendor(s), Zhongjing Xinhua HK is entitled to exercise all rights of holders of these 130,000,000 H shares and the vendor(s) undertake(s) to appoint the person(s) designated by Zhongjing Xinhua HK as its (their) proxy(ies) to attend and vote at the relevant general meeting(s) or class meeting(s) of the Bank in accordance with the instructions of Zhongjing Xinhua HK, if the Bank holds any general meeting(s) or class meeting(s) after the date of the agreement. Accordingly, these 130,000,000 H shares of the Bank are also considered not to be held by the public under Rule 8.24 of the Listing Rules.

3. 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 766,694,381 domestic shares, 137,104,296 domestic shares and 300,145,000 H shares of the Bank, respectively; Anhui Wenergy and Xing An Holdings are the controlled corporations of Anhui Energy Group. Accordingly, Anhui Energy Group is deemed to have interests in the shares of the Bank held by the above-mentioned companies. Anhui Energy Group and the above-mentioned companies are core connected persons of the Bank, and their shareholdings of the Bank’s H share are not regarded as being held by the public.
4. To the best of the knowledge of the board of directors (the “**Board**”) of the Bank 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.
5. Any discrepancies between the percentage of total and sum of items shown in the table are due to rounding.
6. 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 triggering 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

According to the resolution of the Board, the Bank is actively considering various options so as to restore its public float as soon as practicable, including (i) suggesting the substantial shareholders of the Bank to place down their shares in the Bank; (ii) seeking opportunities to conduct placing of H shares after considering the market conditions in full and with detailed planning; and (iii) making its best effort to resume the application process of the A share offering.

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*
Wu Xuemin
Executive Director, Acting Chairman

Hefei, Anhui Province, PRC
March 29, 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 and Zhu Hongjun 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.*