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**Guangzhou Rural Commercial Bank Co., Ltd.\***

**廣州農村商業銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 1551)**

**ANNOUNCEMENT ON  
SUPPLEMENTAL INFORMATION IN RELATION TO  
THE 2018 ANNUAL GENERAL MEETING**

Reference is made to the notice of the 2018 first extraordinary general meeting and the notice of the first H shareholders class meeting of 2018 both dated 23 July 2018, the circular in relation to the 2018 first extraordinary general meeting dated 22 August 2018, the poll results announcement in relation to the 2018 first extraordinary general meeting and the first domestic shareholders class meeting of 2018 and the first H shareholders class meeting of 2018 dated 6 September 2018, the notice of the 2018 annual general meeting and the circular in relation to the 2018 annual general meeting both dated 9 April 2019 of the Bank.

The purpose of this announcement is to provide further information in relation to the extension of the validity period of the plan of A Share Offering and the extension of the validity period of the mandate to authorize the Board of Directors and its authorized persons to deal with A Share Offering at its/their sole discretion.

The original A Share offering size was more than 20% of the issued domestic share capital of the Bank. Subsequently, taking into consideration the benefit of all parties, the Bank adjusted the A Share offering size downwards to less than 20% of the issued domestic share capital of the Bank. As a result, in accordance with the relevant laws and regulations and the articles of association of the Bank, the resolutions in relation to the extension of the validity period of the plan of A Share Offering and the extension of the validity period of the mandate to authorize the Board of Directors and its authorized persons to deal with A Share Offering at its/their sole discretion to be considered and approved at the 2018 annual general meeting of the Bank to be held on 24 May 2019 do not require consideration and approval by class meetings of the Bank.

Given that the validity period of 12 months for the plan of A Share Offering is about to expire, and the application for the A Share Offering of the Bank remains underway, the Bank intends to extend the validity period for the plan of A Share Offering for 12 months for the purpose of the successful completion of the work of A Share Offering. In accordance with relevant regulatory requirements, the extension of the validity period of the plan of A Share Offering and the extension of the validity period of the mandate to authorize the Board of Directors and its authorized persons to deal with A Share Offering at its/their sole discretion shall be for 12 months from the date of approval at the 2018 annual general meeting, i.e. until 23 May 2020.

Further information in relation to the A Share Offering are set out below:

## **1. Plan for the A Share Offering**

After the listing of the Bank's H Shares on the Hong Kong Stock Exchange, in order to further broaden capital replenishment channels, optimize the corporate governance structure, enhance the Bank's core competitiveness, develop domestic and international financing platforms and improve the liquidity of Shares held by the Shareholders, the Bank proposes to apply for an initial public offering and listing of the Bank's A Shares. The proposal as set out below has been prepared pursuant to the requirements of the relevant laws, regulations and regulatory documents, including the *Company Law of the PRC*, the *Securities Law of the PRC*, the *Administrative Measures for Initial Public Offering and Listing of Shares* issued by the CSRC and the *Opinions on Further Promoting the IPO System Reform* issued by the CSRC. The Board has set out the following plans:

### **(a) Class of Shares**

RMB ordinary Shares (A Shares)

### **(b) Nominal value per Share**

RMB1.00

### **(c) Proposed stock exchange for the listing**

The Shenzhen Stock Exchange

### **(d) Offering size**

The offering size shall not be more than 1,596,694,878 Shares, representing no more than 14% of the total number of issued Shares after completion of the A Share Offering. The actual total offering size will be determined based on capital requirements of the Bank, the Bank's communications with the regulatory authorities and the prevailing market conditions at the time of the A Share Offering. The A Shares Offering shall proceed in accordance with Rule 13.36(2) and Rule 19A.38 of the Listing Rules and relevant PRC laws and regulations.

### **(e) Target subscribers**

Target subscribers will be qualified inquired investors and public investors (excluding those in respect of which subscription has been prohibited under national laws and regulations). Pursuant to the Measures for the Administration of Securities Issuance and Underwriting 《證券發行與承銷管理辦法》 by the CSRC, in the A Share Offering, the Bank and the lead underwriter may determine the qualifications for being offline inquired investors, and may choose the target subscribers among investors who have made effective application offline according to pre-determined principles of placing, except that no inquiry and placing of Shares shall be made to those who are prohibited from participating in the placing under the Measures for the Administration of Securities Issuance and Underwriting 《證券發行與承銷管理辦法》.

If any of the above target subscribers of the A Share Offering is a connected person of the Bank, such issue will be conditional upon and subject to compliance with the requirements under Chapter 14A of the Listing Rules, including announcement, reporting and independent Shareholders' approval requirements.

**(f) Strategic placing**

The Bank may carry out strategic placing at the time of the A Share Offering, as required, 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 and target subscribers will be determined according to the Bank's communications with the regulatory authorities, the requirements of laws and regulations and subject to market conditions at the time of such placing.

**(g) Mode of offering**

The offering will be conducted through a combination of placing to target subscribers at a price to be determined on offline basis and offering to online subscribers, or through any other methods of offering as authorized by the CSRC.

**(h) Pricing methodology**

Taking into account the actual conditions in the capital markets and that of the Bank at the time of the A Share Offering, the issue 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.

When determining the issue price of the A Shares, the Bank will take into consideration the following factors: (i) the operational and financial conditions of the Bank; (ii) the prevailing market conditions; (iii) market demand for the A Shares; (iv) the industry which the Bank operates in; (v) the requirements under the applicable laws and regulations; and (vi) the average price-to-earnings ratio of other A share listed issuer(s) who operate in the same industry which the Bank operates in.

According to the State-owned Assets Supervision and Administration requirements, the A Share issue price shall not be lower than the most recently audited net asset value per share prior to A Share Offering.

The audited net asset value per Share attributable to shareholders of the Bank based on the Bank's annual report prepared under the International Financial Reporting Standards for the year ended December 31, 2018 was RMB5.39 and therefore, the minimum price of the A Share Offering shall be no less than RMB5.39 per A Share.

**(i) Form of underwriting**

The offering will be underwritten by an underwriting syndicate led by a lead underwriter, who shall be engaged in due course, on a standby commitment basis.

**(j) Conversion into a joint stock limited company with domestic and overseas listed shares**

According to the proposal for the A Share Offering and taking into account practical conditions that Shares have been issued by the Bank in the H Shares market, an application will be made to convert the Bank into a joint stock limited company with domestic and overseas listed shares.

**(k) Accumulation of undistributed profits**

Undistributed profit accumulated before the A Share Offering will be jointly owned by new and old shareholders after the A Share Offering in accordance with their respective shareholding proportions.

**(l) Term of the offering plan**

The plan for the A Share Offering is subject to approval by way of special resolution and shall be valid for 12 months from the date of approval.

The proposal for the A Share Offering should be subject to the final plan as approved by the regulatory authorities. The Domestic Shares in issue will be converted into domestically listed shares upon the completion of the A Share Offering.

The time of completion of the Bank's A Share Offering will depend on domestic policies for offering and listing of A Shares, the time required for approval and the actual condition in the capital market. Therefore, the time of completion of the A Share Offering could not be determined.

**2. Authorization to Deal with Matters relating to the A Share Offering**

For the purposes of the A Share Offering, a resolution will be proposed by the Board at the general meeting to authorize the Board and its authorized persons to, individually or jointly, determine and to deal with the matters in connection with the A Share Offering, including but not limited to:

- (a) amending and improving the plans for offering and listing and organizing its implementation based on the comments of regulatory authorities in, and out of, PRC and subject to market conditions, including but not limited to determining the specific offering size, offering price, the stock exchange for the listing, important undertakings of the Bank, potential strategic placings (including placing ratio and target subscribers), time and method of the offering, specific allocation for the use of proceeds, and other specific matters relating to the implementation of this plan on offering and listing; making corresponding adjustments (including the suspension and termination of the implementation of the offering plan) to matters in relation to the plans on offering and listing as a result of changes in laws, regulations or regulatory documents with respect to the A Share Offering, or changes in policies of regulatory authorities in connection with the A Share Offering, or changes in market conditions, save for those matters required to be voted again on at a general meeting under the requirements of the relevant laws, regulations, regulatory documents and the Articles of Association;

- (b) handling the procedures for the review and examination, registration, filing, approval and consent with the regulatory authorities in, and out of, the PRC in connection with matters relating to the A Share Offering according to the plan of A Share Offering; signing, executing, amending and completing all necessary documents to be submitted to any governments, authorities, organizations and individuals in, or out of, the PRC with respect to the A Share Offering; designating an account specifically for the holding of any proceeds prior to this A Share Offering, if required; issuing statements and undertakings relating to the offering and listing, and the taking of such steps as are necessary, expedient or appropriate with respect to this offering and listing;
- (c) drafting, amending, signing, submitting, publishing, disclosing, implementing, suspending or terminating any agreements, contracts, announcements, circulars or other documents relating to this offering and listing (including but not limited to the letter of intent, the prospectus, listing documents, sponsorship agreements, underwriting agreements, listing agreements, intermediary service agreements and others); engaging sponsors, underwriters, law firms, auditing firms, receiving banks and other intermediaries in connection with this offering and listing; determining and paying expenses relating to this offering and listing;
- (d) making any amendments to the Articles of Association and other corporate governance documents which have been considered and approved at general meetings and Board meetings and as amended by the Bank pursuant to domestic or foreign laws, regulations and other regulatory documents due to the needs of this offering and listing as a result of any changes in domestic or foreign laws, regulations and other regulatory documents and based on the requirements and advice of the relevant government agencies and regulatory authorities in or out of the PRC, the issuance of Offshore Preference Shares (if any), and the actual situation of this offering and listing; making corresponding amendments to the Articles of Association with respect to the registered capital and shareholding structure of the Bank and handling the filing for change and registration procedures with company registration authorities and other relevant government departments upon completion of the A Share Offering;
- (e) dealing with matters in relation to an application for the listing of A Shares on a securities exchange;
- (f) handling the procedures in relation to the approval, filing and change of registration in connection with any change of the registered capital of the Bank with the CBIRC and its related institutions, the department in charge of industrial and commercial administration and other relevant regulatory authorities according to the actual situation of this offering;
- (g) handling any other matters which the Board thinks are necessary, expedient or appropriate for this offering and listing, subject to the relevant domestic and foreign laws and regulations; and
- (h) delegating other Directors or relevant persons to deal with, individually or jointly, any matters relating to this offering and listing as and when needed.

Such authorization shall be valid for a period of 12 months from the date of consideration and approval at the 2018 annual general meeting.

### 3. Use of Proceeds from the A Share Offering

All of the proceeds from the A Share Offering (after deduction of offering expenses), will be used to replenish the Core Tier 1 capital of the Bank to enhance its capital adequacy ratio. The Bank also commissioned the Feasibility Analysis Report on the Use of Proceeds from the A Share Offering.

According to The Administrative Measures for the Capital of Commercial Banks (for Trial Implementation), the Bank is required to maintain a minimum Core Tier 1 capital adequacy ratio of 7.50%, a minimum Tier 1 capital adequacy ratio of 8.50%, and a minimum capital adequacy ratio of 10.50%. As at December 31, 2018, the Core Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Bank were 10.50%, 10.53% and 14.28%, respectively.

The total estimated amount of proceeds from the A Share Offering is subject to various factors such as the conditions of the capital markets and the Bank at the time of the A Share Offering. Further details of the A Share Offering will be disclosed by the Bank in due course.

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

Assuming that a total of 1,596,694,878 A Shares are permitted to be issued under the A Share Offering, and there are no changes to the share capital of the Bank prior to the completion of the A Share Offering, the shareholding structure 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 Shares	Approximate percentage of the Bank's issued share capital	Number of Shares	Approximate percentage of the Bank's issued share capital
<b>Domestic Shares</b>				
Guangzhou Municipal People's Government <sup>(1)</sup>	1,786,589,712	18.215%	–	–
Directors and supervisors			–	–
Wang Jikang	500,000	0.005%	–	–
Yi Xuefei	500,000	0.005%	–	–
Su Zhigang <sup>(2)</sup>	60,020,000	0.612%	–	–
Zhu Kelin <sup>(3)</sup>	1,201,000	0.012%	–	–
Shao Jianming <sup>(4)</sup>	14,465,800	0.147%	–	–
Zhang Yongming <sup>(5)</sup>	60,077,400	0.613%	–	–
Liu Guojie <sup>(6)</sup>	20,000,000	0.204%	–	–
Zhang Dalin <sup>(7)</sup>	6,201,000	0.063%	–	–
Mao Yunshi <sup>(8)</sup>	1,201,000	0.012%	–	–
Shao Baohua <sup>(9)</sup>	45,618,000	0.465%	–	–
Lai Jiaxiong	452,224	0.005%	–	–
Other Domestic Shareholders <sup>(10)</sup>	5,991,107,403	61.082%	–	–

	As at the date of this announcement		Immediately after the completion of the A Share Offering	
	Number of Shares	Approximate percentage of the Bank's issued share capital	Number of Shares	Approximate percentage of the Bank's issued share capital
<b>A Shares</b>				
Guangzhou Municipal People's Government <sup>(1)</sup>	–	–	1,786,589,712	15.665%
Directors and supervisors				
Wang Jikang	–	–	500,000	0.004%
Yi Xuefei	–	–	500,000	0.004%
Su Zhigang <sup>(2)</sup>	–	–	60,020,000	0.526%
Zhu Kelin <sup>(3)</sup>	–	–	1,201,000	0.011%
Shao Jianming <sup>(4)</sup>	–	–	14,465,800	0.127%
Zhang Yongming <sup>(5)</sup>	–	–	60,077,400	0.527%
Liu Guojie <sup>(6)</sup>	–	–	20,000,000	0.175%
Zhang Dalin <sup>(7)</sup>	–	–	6,201,000	0.054%
Mao Yunshi <sup>(8)</sup>	–	–	1,201,000	0.011%
Shao Baohua <sup>(9)</sup>	–	–	45,618,000	0.400%
Lai Jiaxiong	–	–	452,224	0.004%
Other Domestic Shareholders <sup>(10)</sup>	–	–	5,991,107,403	52.53%
<b>H Shares</b> <sup>(10)</sup>	1,820,335,000	18.559%	1,820,335,000	15.961%
<b>New A Shares to be issued pursuant to the A Share Offering</b>	–	–	1,596,694,878	14.00%
<b>Total issued share capital</b>	<u>9,808,268,539</u>	<u>100.00%</u>	<u>11,404,963,417</u>	<u>100.00%</u>

*Notes:*

- (1) These 1,786,589,712 shares include 366,099,589 shares directly held by Guangzhou Finance Holdings Group Co., Ltd. (廣州金融控股集團有限公司), 338,185,193 shares directly held by Guangzhou Pearl River Enterprises Group Co., Ltd. (廣州珠江實業集團有限公司), 319,880,672 shares directly held by Guangzhou Vanlead Group Co., Ltd. (廣州萬力集團有限公司), 310,728,411 shares directly held by Guangzhou Radio Group Co., Ltd. (廣州無線電集團有限公司), 191,749,019 shares directly held by Guangzhou Department Stores Enterprises Group Co., Ltd. (廣州百貨企業集團有限公司), 137,283,914 shares directly held by Guangzhou Light Industry & Trade Group Co., Ltd. (廣州輕工工貿集團有限公司), 45,312,844 shares directly held by Guangzhou Jinjun Investments Holding Co., Ltd. (廣州金駿投資控股有限公司), 33,405,752 shares directly held by Guangzhou Lingnan International Enterprise Group Co., Ltd. (廣州嶺南國際企業集團有限公司), 18,304,522 shares directly held by Guangzhou Guangyong State-owned Assets Management Co., Ltd. (廣州市廣永國有資產經營有限公司), 9,152,261 shares directly held by Guangzhou Textiles Industry & Trade Holdings Ltd. (廣州紡織工貿企業集團有限公司), 7,052,469 shares directly held by Guangzhou Port Group Co., Ltd. (廣州港集團有限公司), 9,152,261 shares directly held by Guangzhou Development Zone Industrial Development Group Co., Ltd. (廣州開發區工業發展集團有限公司) and 282,805 shares directly held by Guangzhou High-tech Zone Investment Group Co., Ltd. (廣州市雲埔工業區白雲實業發展總公司).
- (2) 60,020,000 shares held by Chimelong Group Co., Ltd. (廣州長隆集團有限公司) which was owned as to 87.14% by Mr. Su Zhigang.
- (3) Mr. Zhu Kelin's spouse directly held 1,201,000 shares.

- (4) Mr. Shao Jianming directly held 405,800 shares and 14,060,000 shares were held by Guangzhou Haiyin Industrial Group Co., Ltd. (廣州海印實業集團有限公司), which was owned as to 65% by Mr. Shao Jianming.
- (5) Mr. Zhang Yongming directly held 11,067,400 shares and 49,010,000 shares were held by Beijing Tianyou Investment Co., Ltd. (北京天佑投資有限公司), which was owned as to 50% by Mr. Zhang Yongming.
- (6) 20,000,000 shares were held by Guangzhou Haojin Motorcycle Co., Ltd. (廣州豪進摩托車股份有限公司), which was owned as to 99% by Mr. Liu Guojie.
- (7) Mr. Zhang Dalin directly held 1,201,000 shares and 5,000,000 shares were held by Guangzhou Fengle Fuel Co., Ltd. (廣州豐樂燃料有限公司), which was owned as to 84% by Mr. Zhang Dalin.
- (8) Mr. Mao Yunshi's spouse directly held 1,201,000 shares.
- (9) Mr. Shao Baohua directly held 1,201,000 shares and his spouse directly held 2,407,000 shares and 42,010,000 shares were held by Guangzhou Huadu Huanyang Commerce and Trade Co., Ltd. (廣州市花都環洋商貿有限公司), which was owned as to 45.4% by Mr. Shao Baohua.
- (10) To the best knowledge of the Bank, Shares held by other Domestic Shareholders and H Shareholders as at the Latest Practicable Date are all held by the public pursuant to Rule 8.24 of the Listing Rules.

The Bank has not conducted any fund raising activities in connection with the issuance of share capital within the 12 months immediately preceding the date of this announcement.

Pursuant to Rule 8.08(1)(a) of the Listing Rules, an issuer is required to maintain a minimum public float of at least 25% at all time. As part of the Bank's H Shares listing application in 2017, the Bank applied to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange granted the Bank a waiver pursuant to Rule 8.08(1)(d) of the Listing Rules from strict compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules (the "Waiver"). Pursuant to the Waiver, the minimum percentage of the H Shares from time to time held by the public will be the highest of:

- (a) 15% of the total issued share capital of the Bank;
- (b) such percentage of H Shares held by the public immediately after completion of the global offering of the Bank's H Shares; or
- (c) such percentage of H Shares held by the public immediately after completion of the global offering of the Bank's H Shares and the exercise of the over-allotment option.

For further information on the Waiver, the completion of the global offering of the Bank's H Shares and the over-allotment option, please refer to the prospectus of the Bank dated June 8, 2017, and the announcements of the Bank dated June 19, 2017 and July 13, 2017, respectively.

As at the date of this announcement, the public float for the Bank's H Shares was 18.56%. Based on information that is publicly available to the Bank and to the knowledge of the Directors, the Bank has maintained sufficient public float pursuant to the Waiver.



Upon completion of the A Share Offering, the Bank's H Shares will constitute approximately 15.96% of the Bank's total issued share capital. Furthermore, all Domestic Shares of the Bank will be converted to A Shares. Therefore, the securities of the Bank, comprising A Shares and H Shares, which will be/are listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, respectively, held by the public will be able to satisfy the minimum public float requirement pursuant to Rule 8.08 of the Listing Rules and the Waiver will no longer be applicable and shall lapse. The Company undertakes that it will continue to comply with the minimum public float during the application for and after the completion of the A Share Offering.

By Order of the Board  
**Guangzhou Rural Commercial Bank Co., Ltd.\***  
**Wang Jikang**  
*Chairman*

Guangzhou, the PRC, May 9, 2019

*As at the date of this announcement, the Board comprises two executive directors, namely Mr. Wang Jikang and Mr. Yi Xuefei; six non-executive directors, namely Mr. Li Fangjin, Mr. Su Zhigang, Mr. Shao Jianming, Mr. Zhang Yongming, Mr. Liu Guojie and Mr. Zhu Kelin; and five independent non-executive directors, namely Mr. Liu Shaobo, Mr. Liu Heng, Mr. Song Guanghui, Mr. Zheng Jianbiao and Mr. Yung Hin Man Raymond.*

\* *Guangzhou Rural Commercial Bank Co., Ltd. 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 and/or deposit taking business in Hong Kong.*