
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Chongqing Rural Commercial Bank Co., Ltd.*** you should at once hand this circular, together with the relevant supplemental proxy form and reply slip, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



重慶農村商業銀行

CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*

Chongqing Rural Commercial Bank Co., Ltd.*

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

(Stock Code: 3618)

2020 SECOND EGM

- (1) PROPOSED ELECTION OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS
- (2) PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISOR AND EXTERNAL SUPERVISORS
- (3) RELATED PARTY TRANSACTIONS REGARDING CREDIT LIMITS
- (4) RELATED PARTY TRANSACTION REGARDING LEASE OF PROPERTIES OF CHONGQING DEVELOPMENT INVESTMENT CO., LTD.
- (5) PROPOSED ISSUANCE OF SINGAPORE GREEN FINANCIAL BONDS
- (6) NOTICE OF THE 2020 SECOND EGM
- (7) SUPPLEMENTAL NOTICE OF THE 2020 SECOND EGM

The 2020 Second EGM of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the “Bank”) will be held at the Conference Room 404 at 4th Floor of the Bank, No. 36 Jinshamen Road, Jiangbei District, Chongqing, the PRC on Tuesday, 20 October 2020 at 10:00 a.m. The notice of the 2020 Second EGM has been dispatched to the Shareholders of the Bank on 4 September 2020, and the notice and supplemental notice of the 2020 Second EGM are set out on pages 37 to 42 of this circular. The letter from the Board is set out on pages 3 to 32 of this circular.

The proxy form for use at the 2020 Second EGM (the “First Proxy Form”) has been dispatched to the Shareholders of the Bank on 4 September 2020, and the supplemental proxy form for use at the 2020 Second EGM which is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.cqrcb.com) is enclosed with this circular. Whether or not you intend to attend the 2020 Second EGM, you are requested to complete and return (i) the reply slip dispatched on 4 September 2020 in accordance with the instructions stated thereon prior to Wednesday, 30 September 2020; and (ii) the aforesaid corresponding proxy forms in accordance with the respective instructions stated thereon 24 hours before the time appointed for holding the 2020 Second EGM or any adjournment thereof (as the case may be). Completion and return of the aforesaid corresponding proxy forms will not preclude you from attending and voting at the 2020 Second EGM in person if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

5 October 2020

* The Bank holds a financial licence number B0335H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with 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 authorised to carry on banking/deposit-taking business in Hong Kong.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix I – Biographical Details of Directors to be Nominated at the 2020 Second EGM	33
Appendix II – Biographical Details of Supervisors to be Nominated at the 2020 Second EGM	35
Notice of the 2020 Second Extraordinary General Meeting	37
Supplemental Notice of the 2020 Second Extraordinary General Meeting	41

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2020 Second EGM”	the 2020 second extraordinary general meeting of the Bank to be held at the Conference Room 404 at 4th Floor of the Bank (at No. 36 Jinshamen Road, Jiangbei District, Chongqing, the PRC) on Tuesday, 20 October 2020 at 10:00 a.m. (or any adjournment thereof) to consider and, if thought fit, to approve the resolutions contained in the notice and supplemental notice of the 2020 Second EGM which are set out on pages 37 to 42 of this circular
“A Share(s)”	ordinary share(s) of the Bank with a nominal value of RMB1.00 each, which are listed on the main board of the Shanghai Stock Exchange (stock code: 601077)
“Articles of Association”	the articles of association of the Bank currently in force, as amended from time to time
“Bank”	Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司*, a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (stock code: 3618) and the A Shares of which are listed on the main board of the Shanghai Stock Exchange (stock code: 601077)
“Board”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBIRC”	China Banking and Insurance Regulatory Commission
“Chongqing Development Investment”	Chongqing Development Investment Co., Ltd.
“City Investment Group”	Chongqing City Construction Investment (Group) Company Limited, a limited liability company incorporated in the PRC, a Shareholder of the Bank
“Director(s)”	the director(s) of the Bank
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“H Share(s)”	the overseas-listed foreign shares of the Bank with a nominal value of RMB1.00 each, which are listed on the main board of the Stock Exchange
“Huayu Group”	Chongqing Huayu Group Co., Ltd.
“Latest Practicable Date”	25 September 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Loncin Holding”	Loncin Holding Co., Ltd.
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the A Share(s) and/or the H Share(s)
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Bank
“USD”	United States dollar(s), the lawful currency of the United States
“Yufu Holding”	Chongqing Yufu Holding Group Co., Ltd.
“USUM Group”	USUM Investment Group Limited

LETTER FROM THE BOARD



重慶農村商業銀行

CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*

Chongqing Rural Commercial Bank Co., Ltd.*

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

(Stock Code: 3618)

Executive Directors:

Mr. Liu Jianzhong (*Chairman*)
Mr. Xie Wenhui (*President*)
Mr. Zhang Peizong (*Vice President*)

Non-executive Directors:

Mr. Zhang Peng
Mr. Luo Yuxing
Mr. Wen Honghai

Independent non-executive Directors:

Mr. Yuan Zengting
Mr. Cao Guohua
Mr. Song Qinghua
Mr. Zhang Qiaoyun
Mr. Lee Ming Hau

*Registered office and principal place
of business in the PRC:*

No. 36 Jinshamen Road,
Jiangbei District,
Chongqing, the PRC
400023

*Principal place of business in Hong
Kong:*

31/F, Tower Two,
Times Square,
1 Matheson Street,
Causeway Bay,
Hong Kong

5 October 2020

Dear Shareholders,

2020 SECOND EGM

- (1) PROPOSED ELECTION OF NON-EXECUTIVE DIRECTOR AND
INDEPENDENT NON-EXECUTIVE DIRECTORS**
- (2) PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE
SUPERVISOR AND EXTERNAL SUPERVISORS**
- (3) RELATED PARTY TRANSACTIONS REGARDING CREDIT LIMITS**
- (4) RELATED PARTY TRANSACTION REGARDING LEASE OF PROPERTIES
OF CHONGQING DEVELOPMENT INVESTMENT CO., LTD.**
- (5) PROPOSED ISSUANCE OF SINGAPORE GREEN FINANCIAL BONDS**
- (6) NOTICE OF THE 2020 SECOND EGM**
- (7) SUPPLEMENTAL NOTICE OF THE 2020 SECOND EGM**

LETTER FROM THE BOARD

1. INTRODUCTION

The purposes of this circular are to give you the notice and supplemental notice of the 2020 Second EGM and to provide you with all reasonable and necessary information to enable you to make informed decisions on whether to vote for or against or abstain from voting on those resolutions to be proposed at the 2020 Second EGM.

2. MATTERS TO BE RESOLVED AT THE 2020 SECOND EGM

At the 2020 Second EGM, the ordinary resolutions set out in items (1) to (14) and the special resolution set out in item (15) below will be considered:

As Ordinary Resolutions:

- (1) the proposed election of Mr. Yin Xianglin as a non-executive director of the Bank;
- (2) the proposed election of Mr. Li Jiaming as an independent non-executive director of the Bank;
- (3) the proposed election of Ms. Bi Qian as an independent non-executive director of the Bank;
- (4) the proposed election of Ms. Huang Qingqing as a shareholder representative supervisor of the Bank;
- (5) the proposed election of Mr. Zhang Jinruo as an external supervisor of the Bank;
- (6) the proposed election of Mr. Hu Yuancong as an external supervisor of the Bank;
- (7) the proposed election of Mr. Zhang Yingyi as an external supervisor of the Bank;
- (8) the related party transaction regarding group credit limits of Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司);
- (9) the related party transaction regarding group credit limits of Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司);
- (10) the related party transaction of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司);
- (11) the related party transaction regarding group credit limits of Chongqing Huayu Group Co., Ltd. (重慶華宇集團有限公司);
- (12) the related party transaction regarding group credit limits of Loncin Holding Co., Ltd. (隆鑫控股有限公司);
- (13) the related party transaction of Loncin Holding Co., Ltd. (隆鑫控股有限公司) and USUM Investment Group Limited (渝商投資集團股份有限公司); and

LETTER FROM THE BOARD

(14) the related party transaction regarding lease of properties of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司).

As A Special Resolution:

(15) proposed issuance of Singapore green financial bonds.

3. DETAILS OF THE MATTERS TO BE RESOLVED AT THE 2020 SECOND EGM

(1) Proposed Election of Non-executive Director and Independent Non-executive Directors

Reference is made to the announcement of the Bank dated 26 August 2020 in relation to, among other things, nomination of non-executive Director and independent non-executive Directors.

Pursuant to relevant laws and regulations and the Articles of Association, the Board proposed to nominate Mr. Yin Xianglin as a candidate for the non-executive director of the Bank, and proposed to nominate Mr. Li Jiaming and Ms. Bi Qian as candidates for the independent non-executive directors of the Bank. Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian have confirmed that they have no disagreement on the nomination, respectively.

The biographical details of Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian are set out in Appendix I of this circular.

Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian's term of office shall be effective from the date of approval of the qualifications as directors by the Chongqing CBIRC to the expiry of the term of office of the current session of the Board. If Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian are elected as the Directors at the 2020 Second EGM, the Bank will enter into a service contract with them, respectively. During the term of office, Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian will receive remuneration or allowances according to "The Remuneration Plan of Directors of Chongqing Rural Commercial Bank Co., Ltd." and "The Performance Evaluation Methods for Directors of the Board of Directors of Chongqing Rural Commercial Bank Co., Ltd.". The Bank will disclose directors' remuneration or allowances in the annual report each year.

As for the proposed nomination of Mr. Li Jiaming and Ms. Bi Qian as candidates for the independent non-executive directors of the Bank, the nomination committee of the Bank and the Board have complied with the board diversity policy, director candidate nomination process and actual conditions of the Bank. The nomination committee of the Bank nominated Mr. Li Jiaming and Ms. Bi Qian as candidates for the independent non-executive directors based on their professional experience, skills and knowledge, the possibility of the candidates for independent non-executive directors to improve the efficiency of the Board's operation and the time that the candidates for the independent non-executive directors are able to contribute to the Bank, etc.

LETTER FROM THE BOARD

Mr. Li Jiaming and Ms. Bi Qian have professional knowledge of finance. The Board believes that Mr. Li Jiaming and Ms. Bi Qian will give objective, independent and sufficient opinions and analysis in terms of finance, market operation, and corporate management, etc. through their extensive experience and knowledge, and also be able to promote the diversification of the Board structure in many aspects such as gender, culture, professional skills and qualification.

Each of Mr. Li Jiaming and Ms. Bi Qian has confirmed their independence according to the factors set out in Rule 3.13 of the Listing Rules. The nomination committee of the Bank and the Board have also assessed the independence of Mr. Li Jiaming and Ms. Bi Qian in accordance with the independence criteria set out in Rule 3.13 of the Listing Rules, and considered that they do and did not have any other relationship with any other Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Bank and confirmed that they are independent.

The above resolutions were considered and approved by the Board on 26 August 2020, and are now being submitted to the 2020 Second EGM for consideration as ordinary resolutions.

(2) Proposed Election of Shareholder Representative Supervisor and External Supervisors

References are made to the announcements of the Bank dated 17 July 2020 and 26 August 2020 in relation to, among other things, nomination of shareholder representative supervisor and change of external Supervisors.

The Board of Supervisors accepted the proposal from Xiamen Gaoxinhong Equity Investment Co., Ltd. (廈門市高鑫泓股權投資有限公司), a Shareholder of the Bank, and resolved to nominate Ms. Huang Qingqing as a candidate for shareholder representative supervisor of the Bank to replace Mr. Zeng Jianwu in accordance with the requirements of relevant laws and regulations and the Articles of Association. Before the new shareholder representative supervisor takes office, the former shareholder representative supervisor shall still perform his duties as a Supervisor in accordance with the requirements of laws and regulations and the Articles of Association. Ms. Huang Qingqing has confirmed that she has no disagreement regarding the nomination.

Pursuant to relevant laws and regulations and the Articles of Association, the six-year term of the three external Supervisors elected by the Bank in 2014 has expired. The Board of Supervisors proposed to nominate Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi as candidates for the external supervisors of the Bank to replace Mr. Wang Hong, Mr. Pan Like and Mr. Hu Shuchun. Before the new external Supervisors take office, the former external supervisors shall still perform their duties as supervisors in accordance with the requirements of laws and regulations and the Articles of Association. Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi have confirmed that they have no disagreement regarding the nomination, respectively.

Mr. Wang Hong, Mr. Pan Like and Mr. Hu Shuchun have confirmed that they have no disagreement with the Board and the Board of Supervisors, and there is no other matter relating to their retirement which need to be brought to the attention of the Shareholders or the Stock Exchange, respectively. As at the Latest Practicable Date, the Bank has not received the resignation of Mr. Zeng

LETTER FROM THE BOARD

Jianwu, a shareholder representative supervisor of the Bank. The Bank will make further announcement regarding the development in due course in accordance with applicable laws and regulations and regulatory requirements.

The biographical details of Ms. Huang Qingqing, Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi are set out in Appendix II of this circular.

Ms. Huang Qingqing, Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi's term of office shall be effective from the date when such resolutions are passed at the 2020 Second EGM to the expiry of the term of office of the current session of the Board of Supervisors. If Ms. Huang Qingqing, Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi are elected as the Supervisors at the 2020 Second EGM, the Bank will enter into a service contract with them, respectively. During the term of office, Ms. Huang Qingqing, Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi will receive remuneration or allowances according to "The Remuneration Plan of Supervisors of Chongqing Rural Commercial Bank Co., Ltd.". The Bank will disclose supervisors' remuneration or allowances in the annual report each year.

The above resolutions were considered and approved by the Board of Supervisors on 17 July 2020 and 26 August 2020, respectively, and are now being submitted to the 2020 Second EGM for consideration as ordinary resolutions.

(3) The Related Party Transaction Regarding Group Credit Limits of Yufu Holding

After consideration by the Board, the Bank intended to approve the group credit limit of Yufu Holding of RMB9,646,640,000 for a credit period of 1 year, representing an increase in group credit limit of RMB1,123,000,000 from the previous period. The details are set out as follows:

I. Overview of the related party

(I) Determination of related party relations

Chongqing Yufu Capital Operation Group Co., Ltd. (重慶渝富資本運營集團有限公司) holds 8.7% of the Shares of the Bank and is one of the major Shareholders of the Bank. The group credit was applied for by 11 members, among which Yufu Holding is the controlling shareholder of Chongqing Yufu Capital Operation Group Co., Ltd. (重慶渝富資本運營集團有限公司), and the remaining 10 members are subsidiaries of Yufu Holding. In addition, a limit of RMB2,000,000,000 is reserved for use by group members only. According to the Interim Measures for the Equity Management of Commercial Banks, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Administrative Measures for the Related Party Transactions of the Bank, members involved in the group credit are all related parties of the Bank, and therefore the group credit constitutes a related party transaction of the Bank. The details are as follows:

LETTER FROM THE BOARD

Unit: RMB'000

No.	Name of member	Reported comprehensive credit limit	Changes in credit limit	Criterion of related parties
1	Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司)	400,000	0	CBIRC
2	Chongqing Travel Investment Group Company Limited (重慶旅遊投資集團有限公司) ¹	33,000	-60,200	CBIRC and Shanghai Stock Exchange
3	Chongqing Jiaolv Construction Engineering Co., Ltd. (重慶交旅建設工程有限公司)	15,000	5,000	CBIRC
4	Chongqing Shanshui Urban Tourism Development Co., Ltd. (重慶山水都市旅遊開發有限公司)	75,000	0	CBIRC
5	Chongqing Yangtze Gorges Tourism Development Co., Ltd. (重慶長江三峽旅遊開發有限公司)	25,800	0	CBIRC
6	Chongqing Yuzhilv International Travel Agency Co., Ltd. (重慶渝之旅國際旅行社股份有限 公司)	5,000	0	CBIRC
7	Chongqing Yin Hai Finance Leasing Co., Ltd. (重慶銀海融資租賃有限公司)	60,000	-30,000	CBIRC
8	Chongqing Lehe Ledu Tourism Co., Ltd. (重慶市樂和樂都旅遊有限公司)	50,364	0	CBIRC
9	Yinhua Fund Management Co., Ltd. (銀華基金管理股份有限公司)	50,000	0	CBIRC
10	Western Air Co., Ltd. (西部航空有限責任公司)	50,000	0	CBIRC
11	Chongqing Hongyadong Cultural Tourism Co., Ltd. (重慶市洪崖洞文化旅遊有限公司)	500	500	CBIRC
12	Reserved limit	200,000	200,000	-
	Total	<u>964,664</u>	<u>112,300</u>	

(II) Basic information of Yufu Holding

Yufu Holding was established on 15 August 2016, and its legal representative is Li Jianming. The Chongqing State-owned Assets Supervision and Administration Commission fulfills the responsibilities of investor for it and its registered capital is RMB10 million. The Chongqing State-owned Assets Supervision and Administration Commission is also the controlling shareholder and actual controller of Yufu Holding. Its registered address is No. 198, East Section of Huangshan Avenue, Liangjiang New District, Chongqing, and its main business includes investment activities using its own funds, investment consultation, asset management, and corporate reorganisation and merger consultation and planning.

As of December 2019, Yufu Holding (on a consolidated basis) had total assets of RMB196,668,279,200, total liabilities of RMB110,030,009,600, net assets of RMB86,638,269,500 and net profit of RMB4,051,493,500. As of March 2020, Yufu

¹ Mr. Cao Guohua, a Director of the Bank, is also a director of Chongqing Travel Investment Group Company Limited, and thus a related party under the rules issued by the CBIRC and the Shanghai Stock Exchange.

LETTER FROM THE BOARD

Holding (on a consolidated basis) had total assets of RMB202,212,739,600, total liabilities of RMB115,690,672,000, net assets of RMB86,522,067,600 and net profit of RMB486,766,700.

II. Overview of the related party transaction

The group credit shall be submitted to the Board and general meeting for consideration and disclosed in a timely manner.

- (I) Under the rules issued by the CBIRC, the group credit limit of RMB9,646,640,000 exceeds 1% of the net capital of the Bank at the end of last quarter, thus the transaction constitutes a significant related party transaction. According to the relevant requirements, it shall be submitted to the general meeting for approval after being considered and passed by the Board.
- (II) Under the rules issued by the Shanghai Stock Exchange, according to the severest provisions, the credit limit granted to Chongqing Travel Investment Group Company Limited and the reserved limit are RMB2,330,000,000 in total, exceeding 1% of the latest audited net assets of the Bank. According to the “Rules on the Preparation and Submission of Information Disclosed by Companies that Offer Securities to the Public No. 26—Special Regulations on Information Disclosure of Commercial Banks”, a related party transaction with a transaction amount of more than RMB30,000,000 and accounting for more than 1% of the latest audited net assets shall be considered by the Board and disclosed in a timely manner.

III. Conclusion

After consideration at the Bank’s credit approval meeting, the Bank intended to approve the group credit limit of Yufu Holding of RMB9,646,640,000 for a credit period of 1 year, the credit conditions of which are as follows:

- (I) The types of credit business include but are not limited to:
 1. the credit business at corporate level including without limitation to loans (including trade financing), bill acceptance and discount, overdraft, investment in special purpose vehicles, issuance of letter of credit, factoring, letter of guarantee, loan commitments and other types of on and off-balance sheet business;
 2. the credit business at financial market level including without limitation to bond investment, bond underwriting, bond repurchase, public fund investment and other types of financial market business;
 3. the credit business at subsidiary level including financial lease and other types of business;

LETTER FROM THE BOARD

4. other types of business that need to be included in the unified group credit of related parties as required by the “Administrative Measures for the Related Party Transactions” of the Bank.
- (II) Guarantee method: the guarantee methods for the businesses as mentioned in items 1, 3 and 4 above are all of non-credit nature. For the business at financial market level in item 2, except for the bond underwriting of Chongqing Yin Hai Financial Leasing Co., Ltd. which is of non-credit nature, other guarantee methods are all of credit nature.
 - (III) Pricing: the pricing is carried out on the conditions that are not better than those of the similar transactions with non-related parties, and is in line with the relevant pricing policies of the Bank.
 - (IV) Credit management requirements: the operating body shall research and formulate a relevant credit plan for an individual client according to the actual credit needs and debt bearing ability of each member company in its service region, which shall be submitted to the authorised department for approval within the allocated credit limit; the credit limit and allocated limit are not the basis for processing the withdrawal and use business of specific credit; and in the issuance and distribution of asset business, any non-compliant additions of government implicit debt or any non-compliant replacement of outstanding government implicit debt shall not be permitted, and the operating body shall strengthen investigations and clarify the findings.

The above resolution was considered and approved by the Board on 26 August 2020, and is now being submitted to the 2020 Second EGM for consideration as an ordinary resolution.

(4) The Related Party Transaction Regarding Group Credit Limits of City Investment Group

After consideration by the Board, the Bank intended to approve the group credit limit of City Investment Group of RMB14,854,100,000 for a credit period of 1 year, representing an increase in group credit limit of RMB7,854,100,000 from the previous period. The details are set out as follows:

I. Overview of the related party

(I) Determination of related party relations

City Investment Group holds 7.02% of the Shares of the Bank and is one of the major Shareholders of the Bank. The group credit was applied for by City Investment Group itself and its subsidiaries. In addition, a limit of RMB5,000,000,000 is reserved for use by group members only. According to relevant regulations including the Interim Measures for the Equity Management of Commercial Banks, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Administrative Measures for

LETTER FROM THE BOARD

the Related Party Transactions of the Bank, members involved in the group credit are all related parties of the Bank, and therefore the group credit constitutes a related party transaction of the Bank. The details are as follows:

Unit: RMB'000

No.	Name of member	Reported comprehensive credit limit	Increase in credit limit	Criterion of related parties
1	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	835,410	135,410	CBIRC and Shanghai Stock Exchange
2	Chongqing City Investment Gold Card Information Industry (Group) Co., Ltd. (重慶市城投金卡信息產業(集團)股份有限公司) ²	150,000	150,000	CBIRC and Shanghai Stock Exchange
3	Reserved limit	500,000	500,000	-
	Total	1,485,410	785,410	

(II) Basic information of City Investment Group

City Investment Group, of which the predecessor was Chongqing City Construction Investment Company founded in February 1993, is a super-large wholly state-owned company established by the Chongqing State-owned Assets Supervision and Administration Commission. Its legal representative is Li Ming, with a registered capital of RMB20 billion and a paid-in capital of RMB6 billion, and its main business is urban construction investment (excluding credit-based financial business).

As of the end of March 2020, City Investment Group (on a consolidated basis) had total assets of RMB154.622 billion, total liabilities of RMB55.958 billion, representing a gearing ratio of 36.19%; and owners' equity of RMB98.665 billion. From January to March 2020, it realised a total operating income of RMB319 million and a net profit of RMB-7.2434 million, which was mainly due to the loss recorded for the house sales and conferences and exhibitions business in the company's operating income components under the impact of the pandemic outbreak in the first quarter of 2020.

² Mr. Zhang Peng, a Director of the Bank, is also the chairman of Chongqing City Investment Gold Card Information Industry (Group) Co., Ltd., and thus a related party under the rules issued by the CBIRC and the Shanghai Stock Exchange.

LETTER FROM THE BOARD

II. Overview of the related party transaction

The group credit shall be submitted to the Board and general meeting for consideration and disclosed in a timely manner.

- (I) Under the rules issued by the CBIRC, the group credit limit of RMB14,854,100,000 exceeds 1% of the net capital of the Bank at the end of last quarter, thus the transaction constitutes a significant related party transaction. According to the relevant requirements, it shall be submitted to the general meeting for approval after being considered and passed by the Board.
- (II) Under the rules issued by the Shanghai Stock Exchange, the group credit limit of RMB14,854,100,000 exceeds 5% of the latest audited net assets of the Bank. According to the “Guidelines for Related Party Transactions of Companies Listed on the Shanghai Stock Exchange”, a significant related party transaction with a transaction amount (save for the listed company’s provision of guarantee, being gifted with cash assets and indebtedness for the mere reduction of or exemption from the listed company’s obligations) of more than RMB30,000,000 and accounting for more than 5% of the latest audited net assets of the listed company shall be submitted to the Board and general meeting for review and disclosed in a timely manner.

III. Conclusion

After consideration at the Bank’s credit approval meeting, the Bank intended to approve the group credit limit of City Investment Group of RMB14,854,100,000 for a credit period of 1 year, the credit conditions of which are as follows:

- (I) The types of credit business include but are not limited to:
 - 1. the credit business at corporate level including without limitation to loans (including trade financing), bill acceptance and discount, overdraft, investment in special purpose vehicles, issuance of letter of credit, factoring, letter of guarantee, loan commitments and other types of on and off-balance sheet business;
 - 2. the credit business at financial market level including without limitation to bond investment, bond underwriting, bond repurchase, public fund investment and other types of financial market business;

LETTER FROM THE BOARD

3. other types of business that need to be included in the unified group credit of related parties as required by the “Administrative Measures for the Related Party Transactions” of the Bank.
- (II) Guarantee method: the guarantee methods for the businesses as mentioned in items 1 and 3 above are all of non-credit nature. The guarantee method for the business at financial market level in item 2 is of credit nature.
 - (III) Pricing: the pricing is carried out on the conditions that are not better than those of the similar transactions with non-related parties, and is in line with the relevant pricing policies of the Bank.
 - (IV) Credit management requirements: the operating body shall research and formulate a relevant credit plan for an individual client according to the actual credit needs and debt bearing ability of each member company in its service region, which shall be submitted to the authorised department for approval within the allocated credit limit; the credit limit and allocated limit are not the basis for processing the withdrawal and use business of specific credit.

The above resolution was considered and approved by the Board on 26 August 2020, and is now being submitted to the 2020 Second EGM for consideration as an ordinary resolution.

(5) The Related Party Transaction of Chongqing Development Investment

After consideration by the Board, the Bank intended to approve the comprehensive group credit limit of Chongqing Development Investment of RMB15,100,000,000 for a credit period of 1 year, representing an increase in group credit limit of RMB500,000,000 from the previous period. In addition, the Bank applied for the cost for leasing the premise of Chongqing Development Investment located at Fu No. 29, No. 14 Shuiyun Road, Nan’an District, Chongqing not exceeding RMB585,200 (tax included). The details are set out as follows:

I. Overview of the related party

(I) Determination of related party relations

Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司) holds 5.19% of the Shares of the Bank and is one of the major Shareholders of the Bank. Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司), Chongqing Railway Investment Group Company Limited (重慶鐵路投資集團有限公司), Chongqing Environmental Protection Investment Group Co., Ltd (重慶環保投資集團有限公司) and Chongqing Environment & Sanitation Group Co., Ltd. (重慶市環衛集團有限公司) are subsidiaries of Chongqing Development Investment, therefore pursuant to relevant regulations including the Interim Measures for the Equity Management of Commercial Banks, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange issued by the Shanghai Stock Exchange and the Administrative Measures for the

LETTER FROM THE BOARD

Related Party Transactions of the Bank, the group members of Chongqing Development Investment are related parties of the Bank, and the transaction constitutes a related party transaction of the Bank. The details are as follows:

Unit: RMB'000

No.	Name of member	Reported comprehensive credit limit	Changes in credit limit	Non-credit transaction amount	Criterion of related parties
1	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	450,000	-150,000	58.52	CBIRC
2	Chongqing Railway Investment Group Company Limited (重慶鐵路投資集團有限公司)	600,000	0	-	CBIRC
3	Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司) ³	30,000	0	-	CBIRC and Shanghai Stock Exchange
4	Chongqing Environmental Protection Investment Group Co., Ltd (重慶環保投資集團有限公司)	210,000	0	-	CBIRC
5	Chongqing Environment & Sanitation Group Co., Ltd. (重慶市環衛集團有限公司)	20,000	0	-	CBIRC
6	Reserved limit	200,000	200,000	-	-
	Total	1,510,000	50,000	58.52	

(II) Basic information of Chongqing Development Investment

Chongqing Development Investment was established on 24 August 2018 and its legal representative is He Zhiming, with a registered capital of RMB10 billion and a paid-in capital of RMB7 billion. Its scale of assets has gradually increased through being assigned a large number of state-owned assets successively in 2019. As a major state-owned enterprise at the municipal level, its development strategy is closely connected with Chongqing's economic development and highly relies on policies. The company is a financing entity for infrastructure and public service capacity building; an investing entity that serves the development strategy of the city, promotes the transformation and upgrading of traditional industries and optimises the layout of emerging business patterns; and an operating entity that coordinates the effective operation of government funds, assets and resources in a market-oriented manner and improves the efficiency. Its business scope includes: carrying out fund, equity and debt investment and management; management, development and operation of entrusted or transferred state-owned resources and assets and assets derived from investment; capital

³ Chongqing Development and Real Estate Management Co., Ltd. holds more than 5% of the Shares of the Bank, and thus a related party under the rules issued by the CBIRC and the Shanghai Stock Exchange.

LETTER FROM THE BOARD

operation and management; and other related businesses authorised by the investor (for projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities).

As of December 2019, Chongqing Development Investment (on a consolidated basis) had total assets of RMB54,800,054,200, total liabilities of RMB20,607,890,600, net assets of RMB34,192,163,600 and net profit of RMB1,275,125,600. As of June 2020, Chongqing Development Investment (on a consolidated basis) had total assets of RMB63,945,725,100, total liabilities of RMB25,417,989,700, net assets of RMB38,527,735,400 and net profit of RMB329,816,300.

II. Overview of the related party transaction

(I) Basic information

The total amount of this related party transaction is RMB15,100,585,200, including (1) grant of group credit limit of RMB15,100,000,000 to Chongqing Development Investment; and (2) lease of the premise of Chongqing Development Investment, located at Fu No. 29, No. 14 Shuiyun Road, Nan'an District, Chongqing, for a term of 3 years commencing from 10 November 2020 to 9 November 2023, at a total rental not exceeding RMB585,200 (tax included) as determined in accordance with market pricing principles.

(II) Nature of transaction

The transaction shall be submitted to the Board and general meeting for consideration and disclosed in a timely manner.

1. Under the rules issued by the CBIRC, the transaction amount of RMB15,100,585,200 exceeds 1% of the net capital of the Bank at the end of last quarter, thus the transaction constitutes a significant related party transaction. According to the relevant regulatory requirements, it shall be submitted to the general meeting for approval after being considered by the Board.
2. Under the rules issued by the Shanghai Stock Exchange, according to the severest provisions, the credit limit granted to Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司) and the reserved limit are RMB2,300,000,000 in total, exceeding 1% of the latest audited net assets of the Bank. According to the "Rules on the Preparation and Submission of Information Disclosed by Companies that Offer Securities to the Public No. 26—Special Regulations on Information Disclosure of Commercial Banks", a related party transaction with a transaction amount of more than RMB30,000,000 and accounting for more than 1% of the latest audited net assets shall be considered by the board of directors and disclosed in a timely manner.

LETTER FROM THE BOARD

III. Conclusion

The total amount of this related party transaction is RMB15,100,585,200, including lease business of RMB585,200 (tax included) and credit business of RMB15,100,000,000, the credit conditions of which are as follows:

- (I) The types of credit business include but are not limited to:
 - 1. the credit business at corporate level including without limitation to loans (including trade financing), bill acceptance and discount, overdraft, investment in special purpose vehicles, issuance of letter of credit, factoring, letter of guarantee, loan commitments and other types of on and off-balance sheet business;
 - 2. the credit business at financial market level including without limitation to bond investment, bond underwriting, bond repurchase, public fund investment and other types of financial market business;
 - 3. other types of business that need to be included in the unified group credit of related parties as required by the “Administrative Measures for the Related Party Transactions” of the Bank.
- (II) Guarantee method: the guarantee methods for the businesses as mentioned in items 1 and 3 above are all of non-credit nature. The guarantee method for the business at financial market level in item 2 is of credit nature.
- (III) Pricing: the pricing is carried out on the conditions that are not better than those of the similar transactions with non-related parties, and is in line with the relevant pricing policies of the Bank.
- (IV) Credit management requirements: the operating body shall research and formulate a relevant credit plan for an individual client according to the actual credit needs and debt bearing ability of each member company in its service region, which shall be submitted to the authorised department for approval within the allocated credit limit; and the credit limit and allocated limit are not the basis for processing the withdrawal and use business of specific credit. In the issuance and distribution of asset business, any non-compliant additions of government implicit debt or any non-compliant replacement of outstanding government implicit debt shall not be permitted, and the operating body shall strengthen investigations and clarify the findings.

The above resolution was considered and approved by the Board on 26 August 2020, and is now being submitted to the 2020 Second EGM for consideration as an ordinary resolution.

LETTER FROM THE BOARD

(6) The Related Party Transaction Regarding Group Credit Limits of Huayu Group

After consideration by the Board, the Bank intended to approve the group credit limit of Huayu Group of RMB1,798,000,000 for a credit period of 1 year, representing a decrease in group credit limit of RMB180,000,000 from the previous period. The details are set out as follows:

I. Overview of the related party

(I) Determination of related party relations

Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司) holds 1.32% of the Shares of the Bank, has appointed Zuo Ruilan as a supervisor of the Bank and is one of the major Shareholders of the Bank. Members involved in the group credit, namely Huayu Group, Chongqing Huayu Hotel Management Co., Ltd. (重慶華宇酒店管理有限公司) and Chongqing Yeru Microcredit Co., Ltd. (重慶業如小額貸款有限公司) are all related parties of Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司), one of the major Shareholders of the Bank, and their actual controller is Jiang Yehua, the spouse of Zuo Ruilan who is a Supervisor. According to relevant regulations including the Interim Measures for the Equity Management of Commercial Banks, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange issued by the Shanghai Stock Exchange and the Administrative Measures for the Related Party Transactions of the Bank, members involved in the group credit are related parties of the Bank under the rules issued by the CBIRC and the Shanghai Stock Exchange, and the group credit constitutes a related party transaction of the Bank. The details are as follows:

Unit: RMB'000

No.	Name of member	Reported comprehensive credit limit	Increase in credit limit
1	Chongqing Huayu Group Co., Ltd. (重慶華宇集團有限公司)	129,000	-14,000
2	Chongqing Huayu Hotel Management Co., Ltd. (重慶華宇酒店管理有限公司)	25,800	-6,000
3	Chongqing Yeru Microcredit Co., Ltd. (重慶業如小額貸款有限公司)	25,000	2,000
	Total	<u>179,800</u>	<u>-18,000</u>

LETTER FROM THE BOARD

(II) Basic information of Huayu Group

Huayu Group was established on 28 March 1995, whose legal representative is Jiang Yehua, with a registered capital of RMB1,031,800,000, and its registered address is No. 118, East Section of Taishan Avenue, Yubei District, Chongqing. Its main business includes: general projects: real estate development level I (practice with qualification certificate); property management (practice with qualification certificate); house rental; enterprise management consultation; business information consultation; legal consultation; engineering information consultation; engineering bidding agency (for projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities); engineering project management; real estate marketing planning (for projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities) (except for projects requiring approval in accordance with the law, carrying out business activities independently with business license according to law).

As of the end of December 2019, Huayu Group (on a consolidated basis) had total assets of RMB78,829,250,000, total liabilities of RMB54,667,660,000, net assets of RMB24,161,590,000, total operating income of RMB13,547,850,000 and net profit of RMB1,611,240,000.

II. Overview of the related party transaction

The group credit shall be submitted to the Board and general meeting for consideration and disclosed in a timely manner.

- (I) Under the rules issued by the CBIRC, the credit limit of Huayu Group of RMB1,798,000,000 exceeds 1% of the net capital of the Bank at the end of last quarter, thus the transaction constitutes a significant related party transaction. According to the relevant regulatory requirements, it shall be submitted to the general meeting for approval after being considered and passed by the Board.
- (II) Under the rules issued by the Shanghai Stock Exchange, the credit limit of Huayu Group of RMB1,798,000,000 exceeds 1% of the latest audited net assets of the Bank. According to the “Rules on the Preparation and Submission of Information Disclosed by Companies that Offer Securities to the Public No. 26—Special Regulations on Information Disclosure of Commercial Banks”, a related party transaction with a transaction amount of more than RMB30,000,000 and accounting for more than 1% of the latest audited net assets shall be considered by the Board and disclosed in a timely manner.

LETTER FROM THE BOARD

III. Conclusion

After consideration at the Bank's credit approval meeting, the Bank intended to approve the group credit limit of Huayu Group of RMB1,798,000,000 for a credit period of 1 year, the credit conditions of which are as follows:

- (I) The types of credit business: include but are not limited to loans, project financing, discount, letter of credit, bill acceptance and other on and off-balance sheet asset business of which the credit risk is essentially borne by the Bank.
- (II) Guarantee method: other than credit method.
- (III) Pricing: the pricing is carried out on the conditions that are not better than those of the similar transactions with non-related parties, and is in line with the relevant pricing policies of the Bank.
- (IV) Credit management requirements: the operating body shall research and formulate a relevant credit plan for an individual client according to the actual credit needs and debt bearing ability of each member company in its service region, which shall be submitted to the authorised department for approval within the allocated credit limit; and the credit limit and allocated limit are not the basis for processing the withdrawal and use business of specific credit.

The above resolution was considered and approved by the Board on 26 August 2020, and is now being submitted to the 2020 Second EGM for consideration as an ordinary resolution.

(7) The Related Party Transaction Regarding Group Credit Limits of Loncin Holding

After consideration by the Board, the Bank intended to approve the comprehensive group credit limit of Loncin Holding of RMB6,479,000,000 for a credit period of 1 year, representing a decrease in group credit limit of RMB113,100,000 from the previous period. The details are set out as follows:

I. Overview of the related party

(I) Determination of related party relations

Loncin Holding holds 5.02% of the Shares of the Bank, and is one of the major Shareholders of the Bank. The credit is a group credit granted to Loncin Holding and its related parties, according to relevant regulations including the Administrative Measures for the Related Party Transactions between Commercial Banks and Insiders and Shareholders, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange issued by the Shanghai Stock Exchange and the Administrative Measures for the Related Party Transactions of the Bank, Loncin Holding is a related party of the Bank under the rules issued by the CBIRC and the Shanghai Stock Exchange, and the

LETTER FROM THE BOARD

remaining members are related parties of the Bank under the rules issued by the CBIRC. The group credit constitutes a related party transaction of the Bank, details of which are as follows:

No.	Name of member	Reported comprehensive credit limit (RMB0'000)	Increase in credit limit (RMB0'000)	Criterion of related parties
1	Loncin Holding Co., Ltd. (隆鑫控股有限公司)	520,000	0	CBIRC and Shanghai Stock Exchange
2	USUM Investment Group Limited (渝商投資集團股份有限公司)	62,000	-3,000	CBIRC
3	Chongqing Yushang Renewable Resources Development Co., Ltd. (重慶渝商再生資源開發有限公司)	9,400	0	CBIRC
4	Chongqing Jinling Auto Group Co., Ltd. (重慶金菱汽車(集團)有限公司)	22,000	0	CBIRC
5	Chongqing Wanbo Auto Co., Ltd. (重慶萬博汽車有限公司)	10,000	0	CBIRC
6	Chongqing Fanhua Auto Sales Service Co., Ltd. (重慶泛華汽車銷售服務有限公司)	10,000	0	CBIRC
7	Chongqing Jiaqi Auto Sales Service Co., Ltd. (重慶嘉祺汽車銷售服務有限公司)	3,000	0	CBIRC
8	Chongqing Baohui Steel Structure Engineering Co., Ltd. (重慶寶匯鋼結構工程有限公司)	8,500	0	CBIRC
9	Chongqing Yaqing Machinery Manufacturing Co., Ltd. (重慶亞慶機械製造有限公司)	3,000	0	CBIRC
10	Chongqing Nanchuan District Jinpo Mountain Tourism Group Co., Ltd. (重慶市南川區金佛山旅業集團有限責任公司)	0	-8,310	CBIRC
	Total	<u>647,900</u>	<u>-11,310</u>	

(II) Basic information of Loncin Holding

Loncin Holding was established on 22 January 2003 and its legal representative is Tu Jianmin, with a registered capital of RMB1 billion. Its registered address is Te No. 5, Heng Street, Shiping Bridge, Jiulongpo District, Chongqing, its controlling shareholder is Loncin Group Co., Ltd. (隆鑫集團有限公司), and its actual controller is Tu Jianhua. Loncin Holding is a key private enterprise in Chongqing, and is an industry-based investment holding group, which is mainly engaged in industry,

LETTER FROM THE BOARD

environmental protection and utilisation of renewable resources, automobile trade and other fields through more than 30 years of development. It is a controlling shareholder of Loncin Motor Co., Ltd., USUM Investment Group Limited and Shanghai Fenghua (Group) Co., Ltd.

As of the end of 2019, Loncin Holding (on a consolidated basis) had total assets of RMB47,157,383,700, total liabilities of RMB33,485,836,400, net assets of RMB13,671,547,200, gearing ratio of 71.01%; total operating income of RMB28,920,302,300 and net profit of RMB-136,914,900. ShineWing Certified Public Accountants, an auditing firm, issued a qualified opinion on its 2019 annual report mainly because the firm was unable to obtain sufficient and appropriate audit evidence for the ending balances of other receivables of RMB2,126,407,100, available-for-sale financial assets of RMB1,000,000,000 and other non-current assets of RMB578,556,100, and was unable to assess the recoverability of the ending book balances.

II. Overview of the related party transaction

The group credit shall be submitted to the Board and general meeting for consideration and disclosed in a timely manner.

1. Under the rules issued by the CBIRC, the group credit limit of RMB6,479,000,000 exceeds 1% of the net capital of the Bank at the end of last quarter, thus the transaction constitutes a significant related party transaction. According to the relevant requirements, it shall be submitted to the general meeting for approval after being considered and passed by the Board.
2. Under the rules issued by the Shanghai Stock Exchange, the credit limit of related parties under the rules issued by the Shanghai Stock Exchange out of the group credit limit is RMB5,200,000,000, exceeding 5% of the latest audited net assets of the Bank. According to the Guidelines for Related Party Transactions of Companies Listed on the Shanghai Stock Exchange, a transaction (save for the listed company's provision of guarantee, being gifted with cash assets and indebtedness for the mere reduction of or exemption from the listed company's obligations) of more than RMB30,000,000 and accounting for more than 5% of the absolute value of the latest audited net assets of the listed company constitutes a significant related party transaction, which shall be submitted to the Board and general meeting for review and disclosed in a timely manner.

LETTER FROM THE BOARD

III. Conclusion

In order to support the development of private economy and guarantee the capital needs of enterprises, after consideration at the Bank's credit approval meeting, the Bank intended to approve the group credit limit of Loncin Holding of RMB6,479,000,000 for a credit period of 1 year, the credit conditions of which are as follows:

- (I) The types of credit business include:
 - 1. corporate credit business including without limitation to loans (including trade financing), bill acceptance and discount, overdraft, investment in special purpose vehicles, issuance of letter of credit, factoring, letter of guarantee, loan commitments and other types of on and off-balance sheet business;
 - 2. other types of business that need to be included in the unified group credit of related parties as required by the "Administrative Measures for the Related Party Transactions" of the Bank.
- (II) Guarantee method: other than credit method.
- (III) Pricing: the pricing is carried out on the conditions that are not better than those of the similar transactions with non-related parties, and is in line with the relevant pricing policies of the Bank, otherwise shall be submitted to the general meeting for consideration if the debt committee has special requirements.
- (IV) Other credit conditions: to determine loan period, repayment schedule, interest settlement interval and other credit conditions according to specific credit business.

The above resolution was considered and approved by the Board on 26 August 2020, and is now being submitted to the 2020 Second EGM for consideration as an ordinary resolution.

(8) The Related Party Transaction of Loncin Holding and USUM Group

Loncin Group Co., Ltd. (隆鑫集團有限公司) is a key private enterprise in Chongqing. It has made great contributions to the economic and social development of the city and even the country for years. In view of the tight cash flow of the group company since 2018, Loncin Group's debt committee has taken active actions to overcome difficulties with the company under the strong leadership of the CPC Municipal Committee and the Municipal Government of Chongqing and the strong guidance of the regulatory authorities. In December 2019, the "Restructuring Plan of Loncin Group" was approved by voting at the tenth meeting of Loncin Group's debt committee. In order to support the development of private economy and play the role of finance to protect market entities, according to the requirements of the restructuring plan, after consideration, the Bank intended to agree to adjust the loan maturity of Loncin Holding and Yushang Group to 20 December 2024 and implement the loan interest rate of 0.9% per annum with effect from 21 December 2019. As of 13

LETTER FROM THE BOARD

August 2020, Loncin Holding had a loan balance denominated in RMB with the Bank of RMB5,197,197,000, and USUM Group had a loan balance denominated in USD and RMB with the Bank of RMB76,771,300 and RMB37,962,900, respectively. The details are set out as follows:

I. Overview of the related party

(I) Determination of related party relations

Loncin Holding holds 5.02% of the Shares of the Bank, and is one of the major Shareholders of the Bank. USUM Group is a subsidiary of Loncin Holding, according to relevant regulations including the Administrative Measures for the Related Party Transactions between Commercial Banks and Insiders and Shareholders, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange issued by the Shanghai Stock Exchange and the Administrative Measures for the Related Party Transactions of the Bank, Loncin Holding is a related party of the Bank under the rules issued by the CBIRC and the Shanghai Stock Exchange, USUM Group is a related party of the Bank under the rules issued by the CBIRC, and therefore the transaction constitutes a related party transaction of the Bank.

(II) Basic information

1. Loncin Holding

Loncin Holding was established on 22 January 2003 and its legal representative is Tu Jianmin, with a registered capital of RMB1 billion. Its registered address is Te No. 5, Heng Street, Shiping Bridge, Jiulongpo District, its controlling shareholder is Loncin Group Co., Ltd. (隆鑫集團有限公司), and its actual controller is Tu Jianhua. Loncin Holding is a key private enterprise in Chongqing, and is an industry-based investment holding group, which is mainly engaged in industry, environmental protection and utilisation of renewable resources, automobile trade and other fields through more than 30 years of development. It is a controlling shareholder of Loncin Motor Co., Ltd., USUM Investment Group Limited and Shanghai Fenghua (Group) Co., Ltd.

As of the end of 2019, Loncin Holding (on a consolidated basis) had total assets of RMB47,157,383,700, total liabilities of RMB33,485,836,400, net assets of RMB13,671,547,200, gearing ratio of 71.01%; operating income of RMB28,920,302,300 and net profit of RMB-136,914,900. ShineWing Certified Public Accountants, an auditing firm, issued a qualified opinion on its 2019 annual report mainly because the firm was unable to obtain sufficient and appropriate audit evidence for the ending balances of other receivables of RMB2,126,407,100, available-for-sale financial assets of RMB1,000,000,000 and other non-current assets of RMB578,556,100, and was unable to assess the recoverability of the ending book balances.

LETTER FROM THE BOARD

2. USUM Group

USUM Group is a subsidiary of Loncin Holding and its actual controller is Tu Jianhua. It was established on 22 January 2003 and its legal representative is Qin Yongming, with a registered capital of RMB3.421 billion, of which Loncin Holding contributed RMB1.823 billion, accounted for 53.29%. Its registered address is No. 8 Fengqi Road, Caijiagang Town, Beibei District, Chongqing. USUM Group takes the “three big and one new” (namely, big resources, big finance, big health and emerging industries) as its strategic investment direction, and Chiho Environmental Group Limited, a company listed in Hong Kong, is a key member of the group. In December 2016, Chiho Environmental Group Limited acquired Scholz Holding GmbH, a global metal regenerating and recycling giant which has been well established for a century in German, thereby establishing USUM Group’s global leading position in the renewable resources industry.

As of the end of 2019, USUM Group (on a consolidated basis) had total assets of RMB14,735,425,300, total liabilities of RMB9,397,915,100, net assets of RMB5,337,510,100, gearing ratio of 63.78%; operating income of RMB13,935,254,200 and net profit of RMB-516,609,700.

III. Overview of the related party transaction

(I) The subject matter

Since June 2018, as a result of the combined effect of various factors such as the sluggish capital market, changes in market policy, excessive investment of its own and long-term use of short-term loans, Loncin Group Co., Ltd. suffered financing turnover failure. The stock prices of its listed subsidiaries including Loncin Motor Co., Ltd., Chiho Environmental Group Limited and Shanghai Fenghua (Group) Co., Ltd. have fallen sharply, causing tight liquidity of the group company at the headquarters level and triggering a liquidity debt crisis.

In order to resolve debt risks, through the coordination and promotion of the Chongqing Municipal Government, the regulatory authorities and Loncin Group’s debt committee, the “Restructuring Plan of Loncin Group” led and developed by Grandall Law Firm (Chongqing) was approved by voting at the tenth meeting of Loncin Group’s debt committee. The plan aimed to cut down expenditures by reducing interest and retaining debt, obtain cash flow by asset disposal and debt reduction, and enhance operating capacity by focusing on main business, so as to gradually restore its intrinsic resilience and solvency.

The model of reducing interest and retaining debt was mainly applied in debt restructuring, by which the pressure of concentration of debt repayment was eased through extending repayment period and lowering borrowing rates. The scope of restructuring included the financial debts owed by Loncin Group Co., Ltd., Loncin

LETTER FROM THE BOARD

Holding, USUM Group and Loncin International Limited as principal debtors, and the debt retention period is five years commencing from 21 December 2019 to 20 December 2024. Except for medium-term notes, overseas bank loans and government relief funds to which current interest rates are applicable, the interest rates of the principals in respect of the remaining creditors' rights are reduced, of which bank creditors apply an interest rate of 0.9% per annum, and non-bank creditors apply an interest rate of 1.1% per annum. After the five-year retention period expires, interest compensation will be made according to actual conditions. Since the sixth year, for the funds to be obtained by Loncin Group Co., Ltd., Loncin Holding, USUM Group and Loncin International Limited each year, after repayment of the principals and interest payable that year, 50% of the remaining funds (if any) will be used to compensate creditors' interest spread arising from the lower interest rates during the debt retention period.

(II) Nature of transaction

The credit change constitutes a significant related party transaction of the Bank under the rules issued by the CBIRC and the Shanghai Stock Exchange, and therefore shall be submitted to the Board and general meeting for consideration and disclosed in a timely manner.

- (1) Under the rules issued by the CBIRC, the transaction amount exceeds 1% of the net capital of the Bank at the end of last quarter, thus the transaction constitutes a significant related party transaction. According to the relevant requirements, it shall be submitted to the general meeting for approval after being considered and passed by the Board.
- (2) Under the rules issued by the Shanghai Stock Exchange, the transaction amount exceeds 5% of the latest audited net assets of the Bank. According to the Guidelines for Related Party Transactions of Companies Listed on the Shanghai Stock Exchange, a transaction (save for the listed company's provision of guarantee, being gifted with cash assets and indebtedness for the mere reduction of or exemption from the listed company's obligations) of more than RMB30,000,000 and accounting for more than 5% of the absolute value of the latest audited net assets of the listed company constitutes a significant related party transaction, which shall be submitted to the Board and general meeting for review and disclosed in a timely manner.

(III) Pricing policy

In accordance with the principle of concerted action by the debt committee, following the principle of reasonableness, and with reference to the pricing of other financial institutions under the same conditions, given the operating conditions and solvency of Loncin Holding and USUM Group, the Bank intended to implement an

LETTER FROM THE BOARD

interest rate of 0.9% per annum for the loans to Loncin Holding and USUM Group during the period from 21 December 2019 to 20 December 2024 subject to the fulfillment of the conditions for signing a debt restructuring agreement.

IV. Conclusion

In order to implement the resolutions of the debt committee and help private enterprises solve problems hindering development, after consideration, the Bank intended to agree to adjust the loan maturity of Loncin Holding and USUM Group to 20 December 2024 and implement the loan interest rate of 0.9% per annum with effect from 21 December 2019, and to determine a loan repayment schedule according to the implementation progress of the restructuring plan. Conditions precedent: complete the signing of a debt restructuring agreement.

The above resolution was considered and approved by the Board on 26 August 2020, and is now being submitted to the 2020 Second EGM for consideration as an ordinary resolution.

(9) The Related Party Transaction Regarding Lease of Properties of Chongqing Development Investment

After consideration by the Board, the Bank intended to lease the properties of Chongqing Development Investment located at Fu No. 4 and Fu No. 5, No. 14 Gaolong Avenue, Jiulongpo District, Chongqing, in a total amount not exceeding RMB4,952,609.73, for which the lease term is five years, the gross floor area is 469.90 square meters, and the unit rental for the first year does not exceed RMB170 per square meter per month, with an annual increase of 5% from the second year and rent-free for one month each year for the first four years. The rent shall be paid annually, and taxes and fees shall be borne by the lessor. The details are set out as follows:

I. Overview of the related party

(1) Determination of related party relations

Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司) holds 5.19% of the Shares of the Bank and is one of the major Shareholders of the Bank. Chongqing Development Investment is a controlling shareholder of Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司), therefore, pursuant to relevant regulations including the Interim Measures for the Equity Management of Commercial Banks, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange issued by the Shanghai Stock Exchange and the Administrative Measures for the Related Party Transactions of the Bank, Chongqing Development Investment is a related party of the Bank under the rules issued by the CBIRC, and the transaction constitutes a related party transaction.

LETTER FROM THE BOARD

(II) Basic information of Chongqing Development Investment

Chongqing Development Investment was established on 24 August 2018 and its legal representative is He Zhiming, with a registered capital of RMB10 billion and a paid-in capital of RMB7 billion. Its scale of assets has gradually increased through being assigned a large number of state-owned assets successively in 2019. As a major state-owned enterprise at the municipal level, its development strategy is closely connected with Chongqing's economic development and highly relies on policies. The company is a financing entity for infrastructure and public service capacity building; an investing entity that serves the development strategy of the city, promotes the transformation and upgrading of traditional industries and optimises the layout of emerging business patterns; and an operating entity that coordinates the effective operation of government funds, assets and resources in a market-oriented manner and improves the efficiency. Its business scope includes: fund, equity and debt investment and management; management, development and operation of entrusted or transferred state-owned resources and assets and assets derived from investment; capital operation and management; and other related businesses authorised by the investor (for projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities).

As of December 2019, Chongqing Development Investment (on a consolidated basis) had total assets of RMB54,800,054,200, total liabilities of RMB20,607,890,600, net assets of RMB34,192,163,600 and net profit of RMB1,275,125,600. As of June 2020, Chongqing Development Investment (on a consolidated basis) had total assets of RMB63,945,725,100, total liabilities of RMB25,417,989,700, net assets of RMB38,527,735,400 and net profit of RMB329,816,300.

II. Overview of the related party transaction

In line with the urban layout and functional planning of Chongqing High-tech Zone and to optimise the branch layout of the Bank, the Bank intended to lease the properties of Chongqing Development Investment located at Fu No. 4 and Fu No. 5, No. 14 Gaolong Avenue, Jiulongpo District, Chongqing, in a total amount not exceeding RMB4,952,609.73 for a term of five years. At present, the Chongqing Development Investment Group has been granted credits of RMB14.6 billion by the Bank, the aggregate amount after taking into account this transaction exceeds 5% of the net capital of the Bank at the end of last quarter, thus the transaction constitutes a significant related party transaction, which shall be submitted to the general meeting for approval after being considered by the Board.

III. Pricing of the related party transaction

The pricing of the transaction is strictly carried out in accordance with commercial principles, and the lease expense is determined on conditions that are not better than those of the similar transactions with non-related parties based on a market survey on the properties of Chongqing Development Investment.

LETTER FROM THE BOARD

The above resolution was considered and approved by the Board on 18 September 2020, and is now being submitted to the 2020 Second EGM for consideration as an ordinary resolution.

(10) Proposed Issuance of Singapore Green Financial Bonds

In order to promote the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity to achieve substantive results in the financial field, leverage the strength of the Bank as the largest local financial institution in Chongqing, develop green finance and fulfill social responsibilities, the Bank intends to issue green financial bonds of not more than RMB500 million or equivalent in Singapore between 2020 and 2022, for which the specific proposal is as follows:

I. Nature of bonds to be issued

Financial bonds issued by commercial banks, of which the repayment ranking of the principal and interest is the same as the general liabilities of commercial banks, and is senior to tier 2 capital instruments, other tier 1 capital instruments and core tier 1 capital instruments of commercial banks.

II. Currency of issuance

RMB or USD.

III. Issuance size

Not more than RMB500 million or equivalent (inclusive of RMB500 million).

IV. Maturity of bonds

Not more than three years in principle.

V. Interest rates and cost calculation

The interest rates shall be determined with reference to market interest rates and method of issue. The issuance costs shall be calculated based on green financial bonds with a maturity of three years. In particular, in case of issuance of RMB-denominated bonds, with reference to current market conditions, the coupon rate and the annualised intermediary agency fees are expected to be 3.5% and approximately 0.9%, respectively, representing total annualised costs of approximately 4.4%; in case of issuance of USD-denominated bonds, with reference to the current market conditions, the coupon rate, the annualised exchange lock-in costs and the annualised intermediary agency fees are expected to be 3.0%, approximately 1.5% and approximately 0.9%, respectively, representing total annualised costs of approximately 5.4%. Due to the uncertainty over the fluctuations in market interest rates, the actual market interest rates at the time of issuance shall prevail.

LETTER FROM THE BOARD

VI. Place of issuance

Singapore.

VII. Method of issuance

Issuance in one single tranche or multiple tranches.

VIII. Use of proceeds

The proceeds shall be specifically used to support sustainable green industries such as low-emission traffic, energy efficiency improvement and water resources management.

IX. Authorisation matters

Authorisation is proposed to be granted by the general meeting to the Board and authorised to be delegated from the Board to senior management to review and approve the specific matters relating to the issuance of financial bonds, including but not limited to: types of issuance, issuance size, maturity of bonds, interest rates, arrangement for payment of the bond principal and interest, redemption, and signing all necessary legal documents, etc.

X. Validity term of the resolution

The authorisation shall be effective from the date of approval of this resolution at the general meeting of the Bank until 31 December 2022.

The above resolution was considered and approved by the Board on 26 August 2020, and is now being submitted to the 2020 Second EGM for consideration as a special resolution.

4. THE 2020 SECOND EGM

The notice convening the 2020 Second EGM, to be held at the Conference Room 404 at 4th Floor of the Bank (at No. 36 Jinshamen Road, Jiangbei District, Chongqing, the PRC) on Tuesday, 20 October 2020 at 10:00 a.m. has been dispatched to the Shareholders on 4 September 2020, and the notice and supplemental notice of the 2020 Second EGM are set out on pages 37 to 42 of this circular.

The proxy form for use at the 2020 Second EGM (the “**First Proxy Form**”) has been dispatched to the Shareholders of the Bank on 4 September 2020, and the supplemental proxy form for use at the 2020 Second EGM (the “**Supplemental Proxy Form**”) which is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.cqrcb.com) is enclosed with this circular. Whether or not you intend to attend the 2020 Second EGM, you are requested to complete and return (i) the reply slip dispatched on 4 September 2020 in accordance with the instructions stated thereon prior to Wednesday, 30

LETTER FROM THE BOARD

September 2020; and (ii) the aforesaid corresponding proxy forms in accordance with the respective instructions stated thereon 24 hours before the time appointed for holding the 2020 Second EGM or any adjournment thereof (as the case may be). Completion and return of the aforesaid corresponding proxy forms will not preclude you from attending and voting at the 2020 Second EGM in person if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

The Supplemental Proxy Form is applicable to the additional resolution contained in the supplemental notice of the 2020 Second EGM and only serves as a supplement to the First Proxy Form. The Supplemental Proxy Form will not affect the validity of the First Proxy Form duly completed by you. The First Proxy Form that has been returned to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, will remain valid and effective to the extent applicable if duly completed.

In accordance with the relevant requirements of the rules of procedures for the Board of the Bank, when a Shareholder fails to repay their credit facilities with the Bank on time, or when the number of Shares pledged by a Shareholder reaches or exceeds 50% of the total Shares of the Bank held by such Shareholder, the Directors nominated by such Shareholder shall not exercise the voting rights regarding matters to be considered by the Board, and shall abstain from voting when the Board considers and approves matters relating to the filing of application for pledge over Shares. Since the number of Shares pledged by Beijing Jiuding Real Estate Co., Ltd. and Chongqing Casin Group Co., Ltd. reached or exceeded 50% of the total Shares of the Bank held by them, therefore, their respective nominated Directors Mr. Wen Honghai and Mr. Luo Yuxing have been restricted from voting on all the above resolutions at the Board meetings. Save as disclosed above, none of the other Directors is required to be restricted from voting on the resolutions considered at the Board meetings.

LETTER FROM THE BOARD

In accordance with the relevant requirements of the Articles of Association and the rules of procedures for the general meeting of the Bank, when a Shareholder fails to repay their credit facilities with the Bank on time, or when the number of Shares pledged by a Shareholder reaches or exceeds 50% of the total Shares of the Bank held by such Shareholder, the voting rights of such Shareholder regarding matters to be considered at the general meeting shall be restricted. After the Directors have made all reasonable enquiries, to the best of their knowledge, information and belief, as at the Latest Practicable Date, 61 Shareholders fail to repay their credit facilities with the Bank on time, the number of Shares pledged by 38 Shareholders in total reaches or exceeds 50% of the total Shares of the Bank held by them, such Shareholders will be restricted from voting on all the resolutions at the 2020 Second EGM. The total number of Shares held by such Shareholders to be restricted from voting is 2,048,336,670 Shares.

After the Directors have made all reasonable enquiries, to the best of their knowledge, information and belief, Chongqing Yufu Capital Operation Group Co., Ltd., Chongqing Chuanyi Automation Co., Ltd. and Chongqing River & Holiday Hotel Management Co., Ltd. have material interests in resolution No. 8 and shall abstain from voting thereon; Chongqing City Construction Investment (Group) Company Limited and Chongqing Yukaifa Co., Ltd. have material interests in resolution No. 9 and shall abstain from voting thereon; Chongqing Development and Real Estate Management Co., Ltd. has material interests in resolutions No. 10 and No. 14 and shall abstain from voting thereon; Chongqing Yerui Property Development Co., Ltd. and Ms. Zuo Ruilan have material interests in resolution No. 11 and shall abstain from voting thereon; and Loncin Holding Co., Ltd. and Guangdong Chaoneng Investment Group Co., Ltd. have material interests in resolutions No. 12 and No. 13 and shall abstain from voting thereon. As at the Latest Practicable Date, save as the disclosed above, there has been no any other Shareholders having material interests in the resolutions to be proposed at the 2020 Second EGM, and no any other Shareholders is required to abstain from voting on any of the resolutions to be proposed at the 2020 Second EGM.

5. VOTING PROCEDURES OF THE 2020 SECOND EGM

Pursuant to the requirements under the Listing Rules, all votes of resolutions at the 2020 Second EGM will be taken by poll except where the chairman, in good faith, 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 the Stock Exchange (www.hkexnews.hk) and the Bank (www.cqrcb.com) in accordance with the requirements under the Listing Rules.

For determining the entitlement of Shareholders to attend and vote at the 2020 Second EGM, the register of members of the Bank will be closed from Sunday, 20 September 2020 to Tuesday, 20 October 2020 (both days inclusive), during which period no transfer of Shares will be registered. The non-registered holders of H Shares must lodge all transfer documents accompanied by the relevant Share certificates with the H Share Registrar of the Bank, 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, 18 September 2020.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Board (including independent non-executive Directors) believes that all the resolutions to be proposed at the 2020 Second EGM for Shareholders' consideration and approval are in the best interests of the Bank and the Shareholders as a whole. The Board therefore recommends that all Shareholders should vote in favour of all the resolutions to be proposed at the 2020 Second EGM as set out in the notice of the 2020 Second EGM and the supplemental notice of the 2020 Second EGM.

7. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Bank. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

Yours faithfully,

For and on behalf of the Board

Chongqing Rural Commercial Bank Co., Ltd.*

重慶農村商業銀行股份有限公司*

Liu Jianzhong

Chairman and Executive Director

Mr. Yin Xianglin (aged 39)

Mr. Yin Xianglin, born in September 1981, is currently the general manager of Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司). Mr. Yin Xianglin worked at the Land Reserve and Renovation Division 1 of Chongqing Land Group (重慶市地產集團) from July 2003 to April 2009 (during which, from March 2005 to August 2007, he also served as the head of the Engineering Section under the Engineering Construction Office for the Phase III of Nanbin Road in Chongqing Central Business (Southern) Development Zone (重慶市中央商務(南部)開發區); and from September 2007 to June 2009, he concurrently served as the chief of the Engineering Construction Division of the Administrative Committee of Chongqing Central Business (Southern) Development Zone). From May 2009 to September 2012, he served as the deputy director of the Land Reserve and Renovation Division 2 of Chongqing Land Group. From September 2012 to March 2016, he served as the deputy general manager of Chongqing Transport and Travel Investment Group Company Limited (重慶交通旅遊投資集團有限公司). From April 2016 to April 2020, he served as the general manager of Chongqing Transport and Travel Investment Group Company Limited (during which, he has also served as the chairman of Chongqing Cairong Housing Leasing Co., Ltd. (重慶財融住房租賃有限公司) since February 2020). Since April 2020, he has been the general manager of Chongqing Development and Real Estate Management Co., Ltd. Mr. Yin Xianglin studied at Sichuan Agricultural University, majoring in land resource management, from September 1999 to June 2003 and obtained a bachelor's degree in engineering. From September 2011 to June 2014, he studied at Chongqing Municipal Party Committee School, majoring in public administration, and obtained a postgraduate diploma.

Mr. Li Jiaming (aged 54)

Mr. Li Jiaming, born in October 1965, is a member of Chongqing Senior Accountant and Senior Auditor Qualification Evaluation Committee (重慶市高級會計師、高級審計師資格評審委員會), vice chairman of Chongqing Internal Audit Association (重慶市內部審計協會), executive director of Chongqing Audit Society (重慶市審計學會), and executive director of China Education Audit Society (中國教育審計學會). Mr. Li Jiaming served as a teacher of economics department in former Yuzhou University from March 1990 to December 1994. From January 1995 to June 1999, he served as a teacher in the School of Management of Chongqing University (during which, he was evaluated and employed as an associate professor in July 1998). From July 1999 to June 2000, he served as the deputy director of the Disciplinary Supervision and Review Office and the deputy chief of the Audit Division of Chongqing University. From June 2000 to July 2002, he served as the deputy chief (presiding over the work) of the Audit Division of Chongqing University. From July 2002 to August 2005, he served as the chief of the Audit Division of Chongqing University. From August 2005 to January 2008, he served as the general manager of Chongqing University Science and Technology Enterprise Group (重慶大學科技企業集團) (during which, he was evaluated and employed as a professor in October 2005; and he also has been the general manager of Chongqing University Asset Management Co., Ltd. (重慶大學資產經營有限責任公司) since November 2006). From January 2008 to August 2009, he was a teacher of Chongqing University. From September 2009 to April 2011, he served as the executive deputy dean (at deputy division-director level) of City College of Science and Technology, Chongqing University. From April 2011 to December 2011, he served as the executive deputy dean (at division-director level) of City College of Science and Technology, Chongqing University. From December 2011 to March 2013, he served as the executive deputy dean and the chief of the Audit Division of City College of Science and Technology, Chongqing University. From March 2012 to September 2019, he served as the chief of the Audit Division of Chongqing University.

Since May 2020, he has served as an independent director of Chongqing Jianshe Vehicle System Co., Ltd. (重慶建設汽車系統股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 200054). From September 1982 to July 1986, Mr. Li Jiaming studied at the economics department of Southwestern University of Finance and Economics, majoring in political economy, and obtained a bachelor's degree in economics. From July 1986 to July 1989, he studied at the Institute of Regional Economics and Urban Management, Renmin University of China, majoring in economic geography, and obtained a master's degree in economics. From September 1999 to June 2004, he studied at the School of Economics and Business Administration, Chongqing University, majoring in technical economics and management, and obtained a doctoral degree in management.

Ms. Bi Qian (aged 51)

Ms. Bi Qian, born in November 1968, is currently a professor, head of the accounting department and doctoral tutor of the College of Economics and Management, Southwest University. From July 1990 to July 1997, Ms. Bi Qian served as a lecturer at the College of Basic Science and Technology, Southwest Agricultural University. From September 1997 to July 2005, she worked at Southwest Agricultural University and successively served as a lecturer and associate professor at the College of Economics and Management. Since September 2005, she has worked at Southwestern University and has successively served as associate professor, professor, doctoral tutor, and head of the accounting department of the College of Economics and Management (during which, from September 2015 to September 2016, she was awarded a scholarship by the China Scholarship Council to visit and study in Oregon State University in the United States). From September 1986 to July 1990, Ms. Bi Qian studied at the department of mathematics of Southwest Normal University, majoring in mathematics, and obtained a bachelor's degree in science. From September 1997 to June 2000, she studied at the College of Economics and Management, Southwest Agricultural University, majoring in accounting, and obtained a master's degree in accounting (during which, from July 1999 to March 2000, she studied with an agricultural regional planning project at Israel DSC Center and obtained a postgraduate diploma). From September 2001 to June 2010, she studied at the College of Economics and Management, Southwest University, majoring in agricultural economics and management, and obtained a doctoral degree in management (during which she studied at the School of Accounting, Southwestern University of Finance and Economics from September 2001 to July 2002). Since March 2019, she has served as an independent director of Senci Mechatronic Co., Ltd. (神馳機電股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603109).

Save as disclosed herein, as at the Latest Practicable Date, Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian do not hold any directorships or supervisory positions in any other listed companies or take up any posts in any affiliated companies of the Bank in the past three years. Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian do not have any relationship with any other Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Bank, nor have any interest in the Shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed herein, as at the Latest Practicable Date, there is no other information relating to the appointment of Mr. Yin Xianglin, Mr. Li Jiaming and Ms. Bi Qian that shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any other matters which need to be brought to the attention of the Shareholders.

Ms. Huang Qingqing (aged 36)

Ms. Huang Qingqing, born in September 1984, is a member of the Communist Party of China and an intermediate economist. Ms. Huang has served as the investment director of Xiamen Gaoxinhong Equity Investment Co., Ltd. since September 2014 and a supervisor of Zhongshan Securities Co., Ltd. (中山證券有限公司) since January 2016. From March 2018 to December 2019, Ms. Huang served as a director of China Bridge Culture Media (Fujian) Co., Ltd. (中橋文化傳媒(福建)股份有限公司) (a company listed on National Equities Exchange and Quotations (NEEQ), stock code: 836417). From February 2010 to August 2014, Ms. Huang successively served as an analyst, senior analyst and investment manager of Xiamen Gaoxinhong Equity Investment Co., Ltd. Ms. Huang obtained a bachelor's degree in Finance from The School of Economics, Xiamen University in July 2007 and a master's degree in Finance from The School of Economics, Xiamen University in July 2010.

Mr. Zhang Jinruo (aged 40)

Mr. Zhang Jinruo, born in August 1980, is a professor, doctoral tutor, and a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. Zhang Jinruo has worked at the School of Economics and Business Administration, Chongqing University since June 2008 (during which he was promoted to associate professor in September 2010, was promoted to full professor in September 2014 as an exceptional case, was employed as a doctoral tutor in June 2015, and served as the head and the party branch secretary of accounting department in November 2018). Mr. Zhang Jinruo was appointed as one of the first batch of consulting experts on accounting by Chongqing Finance Bureau in 2018, and served as an editorial board member of the "Contemporary Accounting Review", a CSSCI academic journal of Xiamen University in 2018. Mr. Zhang Jinruo studied at the accounting department of the School of Management, Xiamen University from September 1998 to June 2008 and obtained bachelor's, master's and doctoral degrees, respectively.

Mr. Hu Yuancong (aged 46)

Mr. Hu Yuancong, born in February 1974, is currently a professor, doctoral tutor, and postdoctoral co-tutor of Southwest University of Political Science and Law. From July 1998 to July 2006, Mr. Hu Yuancong worked at the propaganda department of the Party Committee of Chongqing Education College, and concurrently served as a propaganda officer, newspaper and magazine editor, teacher, etc. Since July 2006, he has worked at the Economic Law School of Southwest University of Political Science and Law, and has successively served as a lecturer, associate professor and professor and has been selected as master tutor, doctoral tutor and post-doctoral co-tutor. Mr. Hu Yuancong studied at Southwest University of Political Science and Law, majoring in economic law, from September 2003 to December 2009, and obtained a doctoral degree in law.

Mr. Zhang Yingyi (aged 47)

Mr. Zhang Yingyi, born in April 1973, is a Chinese Certified Public Accountant, lawyer and asset appraiser. Mr. Zhang Yingyi served as the chief accountant of Chongqing Automobile Standard Parts Factory (重慶汽車標準件廠) from July 1994 to February 1997. From March 1997 to August 1999, he served as a certified public accountant and manager of the audit department of Chongqing Yuzhong

Certified Public Accountants (重慶渝中會計師事務所). From September 1999 to February 2012, he served as the manager of the audit department of Chongqing Zhongding Certified Public Accountants Co., Ltd. (重慶中鼎會計師事務所有限責任公司). Since March 2012, he has served as the deputy general manager of Chongqing Zhongding Certified Public Accountants Co., Ltd. (重慶中鼎會計師事務所有限責任公司). Since June 2013, he has been an accounting expert of Chongqing Development and Reform Commission. Since July 2015, he has been a member of the Disciplinary Committee of the Chongqing Institute of Certified Public Accountants. Since May 2016, he has served as an external supervisor of Chongqing Light Industry & Textile Holding (Group) Company Limited (重慶輕紡控股(集團)公司). Since September 2014, he has been an off-campus tutor for the master of accounting in Chongqing University of Technology. Mr. Zhang Yingyi studied at Southwest University of Finance and Economics, majoring in accounting, from July 1993 to June 1995, and obtained a bachelor's degree.

Save as disclosed herein, as at the Latest Practicable Date, Ms. Huang Qingqing, Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi do not hold any directorships or supervisory positions in any other listed companies or take up any posts in any affiliated companies of the Bank in the past three years. Ms. Huang Qingqing, Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi do not have any relationship with any other Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Bank, nor have any interest in the Shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed herein, as at the Latest Practicable Date, there is no other information relating to the appointment of Ms. Huang Qingqing, Mr. Zhang Jinruo, Mr. Hu Yuancong and Mr. Zhang Yingyi that shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any other matters which need to be brought to the attention of the Shareholders.

NOTICE OF THE 2020 SECOND EXTRAORDINARY GENERAL MEETING



重慶農村商業銀行

CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*

Chongqing Rural Commercial Bank Co., Ltd.*

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

(Stock Code: 3618)

NOTICE OF THE 2020 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 second extraordinary general meeting of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the “**Bank**”) (the “**2020 Second EGM**”) will be held at the 404 Conference Room at 4th Floor of the Bank (at No. 36 Jinshamen Road, Jiangbei District, Chongqing, the People’s Republic of China (the “**PRC**”)) on Tuesday, 20 October 2020 at 10:00 a.m. Details of the 2020 Second EGM are as follows:

I. GENERAL INFORMATION OF THE 2020 SECOND EGM

(I) Convenor

The board of directors of the Bank (the “**Board**”)

(II) Date and Time

Tuesday, 20 October 2020 at 10:00 a.m. The meeting is expected to last for half day

(III) Venue

404 Conference Room at 4th Floor of the Bank (at No. 36 Jinshamen Road, Jiangbei District, Chongqing, the PRC)

(IV) Way of Conducting the 2020 Second EGM

On-site conference and voting

NOTICE OF THE 2020 SECOND EXTRAORDINARY GENERAL MEETING

II. AGENDA OF THE 2020 SECOND EGM

Ordinary Resolutions

1. To consider and approve the resolution in relation to the election of Mr. Yin Xianglin as a non-executive director of the Bank;
2. To consider and approve the resolution in relation to the election of Mr. Li Jiaming as an independent non-executive director of the Bank;
3. To consider and approve the resolution in relation to the election of Ms. Bi Qian as an independent non-executive director of the Bank;
4. To consider and approve the resolution in relation to the election of Ms. Huang Qingqing as a shareholder representative supervisor of the Bank;
5. To consider and approve the resolution in relation to the election of Mr. Zhang Jinruo as an external supervisor of the Bank;
6. To consider and approve the resolution in relation to the election of Mr. Hu Yuancong as an external supervisor of the Bank;
7. To consider and approve the resolution in relation to the election of Mr. Zhang Yingyi as an external supervisor of the Bank;
8. To consider and approve the resolution in relation to the related party transaction regarding group credit limits of Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司);
9. To consider and approve the resolution in relation to the related party transaction regarding group credit limits of Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司);
10. To consider and approve the resolution in relation to the related party transaction of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司);
11. To consider and approve the resolution in relation to the related party transaction regarding group credit limits of Chongqing Huayu Group Co., Ltd. (重慶華宇集團有限公司);
12. To consider and approve the resolution in relation to the related party transaction regarding group credit limits of Loncin Holding Co., Ltd. (隆鑫控股有限公司);
13. To consider and approve the resolution in relation to the related party transaction of Loncin Holding Co., Ltd. (隆鑫控股有限公司) and USUM Investment Group Limited (渝商投資集團股份有限公司).

NOTICE OF THE 2020 SECOND EXTRAORDINARY GENERAL MEETING

Special Resolution

14. To consider and approve the resolution in relation to the proposed issuance of Singapore green financial bonds.

For and on behalf of the Board
Chongqing Rural Commercial Bank Co., Ltd.*
重慶農村商業銀行股份有限公司*
Chairman and Executive Director
Liu Jianzhong

Chongqing, the PRC, 4 September 2020

Notes:

1. Pursuant to the Listing Rules, all votes of resolutions at the 2020 Second EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by show of hands. An announcement on the voting results will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Bank (www.cqrcb.com) in accordance with the Listing Rules.
2. In order to determine the entitlement of shareholders to attend and vote at the 2020 Second EGM, non-registered holders of H Shares must lodge their transfer documents accompanied by the relevant share certificates with the H Share Registrar of the Bank, 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, 18 September 2020. The register of members of the Bank will be closed from Sunday, 20 September 2020 to Tuesday, 20 October 2020 (both days inclusive).
3. A shareholder entitled to attend and vote at the 2020 Second EGM is entitled to appoint one or more proxies (if he/she holds more than one share) to attend and vote in his/her stead. A proxy need not be a shareholder. If more than one proxy is so appointed, the appointment shall specify the class and number of shares in respect of which each such proxy is so appointed.
4. Shareholders shall appoint their proxies in writing. The proxy form must be signed by the shareholder or its attorney duly authorised in writing. If the shareholder is a legal person, the proxy form shall be affixed with the legal person's common seal or signed by its director, or its attorney duly authorised in writing. If the proxy form is signed by the attorney of the shareholder, the power of attorney or other authorisation documents shall be notarised. For holders of H Shares, the aforementioned documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the 2020 Second EGM. Completion and return of the proxy form shall not preclude you from attending and voting in person at the 2020 Second EGM and any adjourned meeting thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Shareholders who intend to attend the 2020 Second EGM (in person or by proxy) shall return the reply slip of the 2020 Second EGM enclosed to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited by hand, post or fax before Wednesday, 30 September 2020.
6. The contact of the Secretariat of the Board is as follows:

Address: No. 36 Jinshamen Road, Jiangbei District, Chongqing, the PRC
Postal Code: 400023
Contact Persons: Ms. Zheng, Mr. Chen

NOTICE OF THE 2020 SECOND EXTRAORDINARY GENERAL MEETING

Telephone: (8623) 6111 0841, (8623) 6111 0637

Facsimile: (8623) 6111 0844

7. Shareholders or their proxies shall produce their identity proof when attending the 2020 Second EGM.
8. The 2020 Second EGM is expected to last for half day. Shareholders who attend the 2020 Second EGM (in person or by proxy) shall bear their own expenses.

As at the date of this notice, the executive directors of the Bank are Mr. Liu Jianzhong, Mr. Xie Wenhui and Mr. Zhang Peizong; the non-executive directors of the Bank are Mr. Zhang Peng, Mr. Luo Yuxing and Mr. Wen Honghai; and the independent non-executive directors of the Bank are Mr. Yuan Zengting, Mr. Cao Guohua, Mr. Song Qinghua, Mr. Zhang Qiaoyun and Mr. Lee Ming Hau.

- * *The Bank holds a financial licence number B0335H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with 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 authorised to carry on banking/deposit-taking business in Hong Kong.*

**SUPPLEMENTAL NOTICE OF THE 2020
SECOND EXTRAORDINARY GENERAL MEETING**



重慶農村商業銀行
CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*
Chongqing Rural Commercial Bank Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3618)

**SUPPLEMENTAL NOTICE OF THE 2020 SECOND
EXTRAORDINARY GENERAL MEETING**

REFERENCE IS MADE to the notice (the “**2020 Second EGM Notice**”) of the 2020 second extraordinary general meeting (the “**2020 Second EGM**”) of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the “**Bank**”) dated 4 September 2020, which sets out the time and venue of the 2020 Second EGM and contains the resolutions to be proposed at the 2020 Second EGM for the shareholders’ consideration and approval.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the 2020 Second EGM will be held as originally scheduled at the Conference Room 404 at 4th Floor of the Bank (at No. 36 Jinshamen Road, Jiangbei District, Chongqing, the People’s Republic of China (the “**PRC**”)) on Tuesday, 20 October 2020 at 10:00 a.m. In addition to the resolutions contained in the 2020 Second EGM Notice, the meeting will also consider and, if thought fit, pass the following additional resolution:

Ordinary Resolution

14. To consider and approve the resolution in relation to the related party transaction regarding lease of properties of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司).

For and on behalf of the Board
Chongqing Rural Commercial Bank Co., Ltd.*
重慶農村商業銀行股份有限公司*
Liu Jianzhong
Chairman and Executive Director

Chongqing, the PRC, 5 October 2020

Notes:

1. Details of the resolutions to be proposed at the 2020 Second EGM are set out in the circular of the Bank dated 5 October 2020.
2. It should be noted that the original resolution No. 14 “To consider and approve the resolution in relation to the proposed issuance of Singapore green financial bonds” as contained in the 2020 Second EGM Notice will be renumbered as resolution No. 15. Save as the additional proposed resolution, there is no any other change to the resolutions set out in the 2020 Second EGM Notice. For details of other resolutions to be proposed at the 2020 Second

SUPPLEMENTAL NOTICE OF THE 2020 SECOND EXTRAORDINARY GENERAL MEETING

EGM, procedures for voting at the 2020 Second EGM, eligibility for attending, closure of register of members, proxy and other related matters, please refer to the 2020 Second EGM Notice that has been dispatched to the shareholders of the Bank on 4 September 2020.

3. The supplemental proxy form for use at the 2020 Second EGM (the “**Supplemental Proxy Form**”) which is published on the websites of The Hong Kong Stock Exchange Limited (www.hkexnews.hk) and the Bank (www.cqrcb.com) is enclosed with this supplemental notice. The Supplemental Proxy Form is applicable to the additional resolution contained in this supplemental notice and only serves as a supplement to the proxy form that has been dispatched to the shareholders of the Bank on 4 September 2020 (the “**First Proxy Form**”). The Supplemental Proxy Form will not affect the validity of the First Proxy Form duly completed by you. The First Proxy Form that has been returned to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, will remain valid and effective to the extent applicable if duly completed.
4. Any H shareholder who intends to appoint a proxy to attend the 2020 Second EGM shall complete the enclosed Supplemental Proxy Form in accordance with the instructions printed thereon and return the same to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited (at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) not less than 24 hours before the time appointed for holding the 2020 Second EGM or any adjournment thereof (as the case may be). Completion and return of the First Proxy Form and/or the Supplemental Proxy Form shall not preclude you from attending and voting in person at the 2020 Second EGM and any adjourned meeting thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The contact of the Secretariat of the Board is as follows:

Address: No. 36 Jinshamen Road, Jiangbei District, Chongqing, the PRC
Postal Code: 400023
Contact Persons: Ms. Zheng, Mr. Chen
Telephone: (8623) 6111 0841, (8623) 6111 0637
Facsimile: (8623) 6111 0844

As at the date of this notice, the executive directors of the Bank are Mr. Liu Jianzhong, Mr. Xie Wenhui and Mr. Zhang Peizong; the non-executive directors of the Bank are Mr. Zhang Peng, Mr. Luo Yuxing and Mr. Wen Honghai; and the independent non-executive directors of the Bank are Mr. Yuan Zengting, Mr. Cao Guohua, Mr. Song Qinghua, Mr. Zhang Qiaoyun and Mr. Lee Ming Hau.

- * *The Bank holds a financial licence number B0335H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with 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 authorised to carry on banking/deposit-taking business in Hong Kong.*