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If you have sold or transferred all your shares in Guangzhou Rural Commercial Bank Co., Ltd.*, you should at once hand this circular and the proxy form 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 or transferee.

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Guangzhou Rural Commercial Bank Co., Ltd.*

廣州農村商業銀行股份有限公司*

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

(H Share Stock code: 1551)

(Preference Share Stock code: 4618)

**2022 BOARD OF DIRECTORS' REPORT
2022 BOARD OF SUPERVISORS' REPORT
BY-ELECTION OF NON-EXECUTIVE DIRECTORS OF THE THIRD SESSION OF THE BOARD OF DIRECTORS
2022 ANNUAL REPORT
2022 FINANCIAL STATEMENTS
2022 PROFIT DISTRIBUTION PLAN
2022 REPORT ON SANNONG FINANCIAL SERVICES
2023 FINANCIAL BUDGET
ESTIMATED ANNUAL CAPS FOR MATERIAL RELATED PARTY TRANSACTIONS WITH MAJOR SHAREHOLDERS IN 2023
APPOINTMENT OF AUDITORS
MAJOR TRANSACTION
PRIVATE PLACEMENT OF DOMESTIC SHARES AND NON-PUBLIC ISSUANCE OF H SHARES UNDER SPECIFIC MANDATE
PROPOSED ISSUANCE OF UNDATED CAPITAL BONDS
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SHAREHOLDERS' GENERAL MEETINGS**

The Letter from the Board is set out on pages 1 to 38 of this circular.

Guangzhou Rural Commercial Bank Co., Ltd.* (the "Bank") will convene the 2022 annual general meeting (the "AGM") at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, PRC at 9:30 a.m. on Tuesday, 20 June 2023, the first domestic shareholders class meeting of 2023 (the "Domestic Shareholders Class Meeting") at 10:00 a.m. on the same day or immediately after the conclusion of the AGM (whichever is later), and the first H shareholders class meeting of 2023 (the "H Shareholders Class Meeting", together with the Domestic Shareholders Class Meeting, collectively referred to as the "Class Meetings") at 10:15 a.m. on the same day or immediately after the conclusion of the AGM and the Domestic Shareholders Class Meeting (whichever is later).

Notices of the AGM and the H Shareholders Class Meeting have been despatched to the Shareholders on 4 May 2023.

Whether or not you are able to attend and vote at the AGM and/or the H Shareholders Class Meeting you are requested to complete and return (i) the reply slip in accordance with the instructions printed thereon on or before Wednesday, 31 May 2023 to the H Share Registrar; and (ii) the form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the AGM and/or the H Shareholders Class Meeting or any adjournment thereof (as the case may be) to the H Share Registrar.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and/or the H Shareholders Class Meeting or any adjournment thereof should you so wish.

* The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

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DEFINITIONS

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

“2022 Annual Report”	the annual report of the Bank for the year ended 31 December 2022, which is available for inspection on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.grcbank.com)
“AGM”	the 2022 annual general meeting of the Bank to be held at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, PRC at 9:30 a.m. on Tuesday, 20 June 2023
“Articles of Association”	the Articles of Association of the Bank (as amended from time to time)
“Bank”	Guangzhou Rural Commercial Bank Co., Ltd.*, a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Hong Kong Stock Exchange
“Board of Supervisors”	the board of Supervisors of the Bank
“Board” or “Board of Directors”	the board of Directors of the Bank
“CBIRC”	China Banking and Insurance Regulatory Commission and its local offices
“CBIRC Guangdong Bureau”	Guangdong Bureau of China Banking and Insurance Regulatory Commission
“CSRC”	China Securities Regulatory Commission and its local offices
“Class Meetings”	Domestic Shareholders Class Meeting and H Shareholders Class Meeting immediately after the conclusion of the AGM, to approve the relevant resolutions on the Issuance and amendments to the Articles of Association of the Bank

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“core connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)” or “Non-overseas Listed Share(s)”	ordinary shares in the issued share capital of the Bank with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in full in RMB
“Domestic Shareholders Class Meeting”	the first domestic shareholders class meeting of 2023 of the Bank to be held at 10:00 a.m. on Tuesday, 20 June 2023, or immediately after the conclusion of the AGM (whichever is later)
“Group”	the Bank and its subsidiaries
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Bank
“H Shareholders Class Meeting”	the first H shareholders class meeting of 2023 of the Bank to be held at 10:15 a.m. on Tuesday, 20 June 2023, or immediately after the conclusion of the AGM and the Domestic Shareholders Class Meeting (whichever is later)
“H Share(s)”	overseas listed foreign shares in the capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issuance”	the Issuance of Domestic Shares and the Issuance of H Shares
“Issuance of Domestic Shares”	the Bank’s proposed private placement of not more than 2.964 billion Domestic Shares to eligible subscribers under the Specific Mandate
“Issuance of H Shares”	the Bank’s proposed non-public issuance of not more than 676 million H Shares to eligible subscribers under the Specific Mandate
“Latest Practicable Date”	24 May 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“National Financial Regulatory Administration”	an institution directly under the State Council established on the basis of the China Banking and Insurance Regulatory Commission
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Non-overseas Listed Share(s) and the H Share(s)
“Shareholder(s)”	the shareholder(s) of the Bank

DEFINITIONS

“Specific Mandate”	a specific mandate for the Issuance to be granted by the Shareholders at the AGM and the Class Meetings
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Bank
“Transaction”	the relevant transaction contemplated under the Bank’s transfer of the Transferred Assets
“Transaction Mandate”	the general and conditional mandate granted to the Board of the Bank by the Shareholders at the AGM to transfer the relevant assets during the authorization period
“Transferred Assets”	certain credit assets, investment asset management products, bonds, assets formed by conducting commercial acceptance bills and other businesses, and other assets held by the Bank
“%”	per cent

* *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

LETTER FROM THE BOARD



Guangzhou Rural Commercial Bank Co., Ltd.*
廣州農村商業銀行股份有限公司*

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

(H Share Stock code: 1551)

(Preference Share Stock code: 4618)

Executive Director:

Cai Jian

Registered office in the PRC:

No. 9, Yingri Road

Huangpu District

Guangzhou

PRC

Non-executive Directors:

Da Hengcheng

Zuo Liang

Feng Kaiyun

Zhang Junzhou

Feng Yaoliang

Lai Zhiguang

Principal place of business in Hong Kong:

40/F, Dah Sing Financial Center

248 Queen's Road East

Wanchai

Hong Kong

Independent Non-executive Directors:

Liao Wenyi

Du Jinmin

Tan Jinsong

Zhang Weiguo

Zhang Hua

Ma Hok Ming

Guangzhou, the PRC, 31 May 2023

Dear Sir or Madam,

2022 BOARD OF DIRECTORS' REPORT
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LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to set out and provide you with information necessary to enable you to make an informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed for consideration at the AGM and the Class Meetings.

II. REGULAR MATTERS AT THE AGM

1. 2022 Financial Statements

In 2022, the Group's business grew steadily in its scale, and the total assets amounted to RMB1,233.454 billion, representing a year-on-year increase of 6.18%, customers deposits increased by 7.15%, and total loans and advances to customers increased by 5.22%. The Group's operating income was RMB22.545 billion. The Group's profit before income tax was RMB4,510 million, representing a year-on-year increase of 1.19%, and net profit was RMB4,038 million, representing a year-on-year increase of 6.92%. In 2022, the Group's capital adequacy ratio was 12.59%, provision coverage ratio was 156.93%, non-performing loan ratio was 2.11%, and assets quality indicators continued to meet the standards.

For details of 2022 financial statements of the Group, please refer to the 2022 Annual Report of the Bank and the financial statements therein.

2. 2022 Profit Distribution Plan

In accordance with the provisions of relevant laws and regulations, the annual profit distribution plan for the year ended 31 December 2022 proposed by the Board for consideration and approval at the AGM is as follows:

- (1) As at the end of 2022, RMB300 million of statutory surplus reserve was made;
- (2) RMB1,114 million will be appropriated to the general risk reserve; and
- (3) Approximately RMB1,202 million (inclusive of tax) in total or RMB1.05 (inclusive of tax) per 10 Shares will be distributed to all Shareholders as cash dividend.

If this proposal is approved at the AGM, the Bank will distribute dividends to the holders of Non-overseas Listed Shares and H Shares whose names appear on the register of members of the Bank on Sunday, 2 July 2023. The register of members of the Bank will be closed from Tuesday, 27 June 2023 to Sunday, 2 July 2023 (both days inclusive), during which no transfer of H Shares will be effected.

LETTER FROM THE BOARD

In order to be entitled to the final dividends, holders of H Shares who have not registered their transfer documents are required to deposit such documents together with the relevant share certificates and other appropriate documents at the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Monday, 26 June 2023.

Such cash dividends are expected to be distributed to Shareholders on Thursday, 20 July 2023.

The proposed dividends are denominated in RMB. Dividends payable to the holders of Non-overseas Listed Shares will be paid in RMB, while dividends payable to the holders of H Shares will be paid in Hong Kong dollars. The actual distribution amount in Hong Kong dollars will be calculated based on the average middle exchange rate of RMB to Hong Kong dollars of the five business days prior to the AGM (including the date of the AGM) announced by the People's Bank of China.

Matters concerning tax on dividends

According to the applicable provisions of the "Enterprise Income Tax Law of the People's Republic of China" and the "Individual Income Tax Law of the People's Republic of China" and its implementation rules, for the Non-overseas Listed Shares and the holding of the Bank's shares via Hong Kong Stock Connect, the Bank shall withhold and pay the individual income tax at the rate of 20% according to the national tax law for the dividends of natural person shareholders, while corporate shareholders shall make its own declaration in accordance with the requirements of the national tax law.

Taxes on dividend of H Shares are subject to the Hong Kong tax law.

According to the Enterprise Income Tax Law and its implementation rules, both effective on 1 January 2008, and Guo Shui Han [2008] No. 897, the Bank shall withhold and pay 10% enterprise income tax when distributing the dividends to non-resident enterprise shareholders of overseas H shares (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organisations) whose names appear on the Bank's register of members for H Shares.

According to the Notice on Issues Concerning Taxation and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the Bank shall withhold and pay individual income tax for individual holders of H Shares.

LETTER FROM THE BOARD

If the individual holders of H Shares are Hong Kong or Macau residents or residents of the countries or regions which have an agreed tax rate of 10% under the relevant tax treaties with the PRC, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders.

If the individual holders of H Shares are residents of the countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders. If such shareholders claim refund of the amount in excess of the individual income tax payable under the tax treaties, the Bank can apply on behalf of such shareholders according to the relevant tax treaties for the relevant agreed preferential tax treatment, provided that the relevant shareholders submit the relevant documents in a timely manner required by the Administrative Rules on Enjoying Treatment under Taxation Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement, 2019, No. 35) and the provisions of the relevant tax treaties. The Bank will assist with the tax refund subject to approval of the competent tax authority.

If the individual holders of H Shares are residents of the countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Bank will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such shareholders.

If the individual holders of H shares are residents of the countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Bank will withhold and pay individual income tax at the rate of 20% on behalf of such shareholders.

3. 2023 Financial Budget

According to the internal and external economic environment and the Group's business development plan, and in light of the operational management guidance requirements of the regulatory authorities, the Bank plans to set a budget of capital expenditure amounting to approximately RMB658 million in 2023, mainly for the Group's continuous resources investment in technology construction, on-time operation, logistics services and safety and security, etc.

LETTER FROM THE BOARD

4. Estimated Annual Caps for Material Related Party Transactions with Major Shareholders in 2023

In accordance with the Notice of the Rural Banking Department of CBIRC on Strengthening Supervision over Related Party Transactions of Small and Medium Banking Institutions (《中國銀保監會農村銀行部關於加強中小銀行機構關聯交易監管的通知》) as well as the Bank's measures for managing related party transactions, the Bank makes reasonable estimates on the estimated annual caps for material related party transactions with major shareholders in 2023 with reference to related party transactions conducted in 2022, changes in related parties and the actual needs of business development.

The estimated annual caps for material related party transactions with major shareholders in 2023 shall be valid from the date on which this resolution is approved at the AGM to the date on which the resolution on estimated annual caps for material related party transactions with major shareholders is approved at the next annual general meeting of the Bank.

The details of the material related party transactions with major shareholders expected in 2023 are set out in Appendix I to this circular.

5. Appointment of Auditors

The Board proposes to appoint PricewaterhouseCoopers Zhongtian (Special General Partnership) for auditing the 2023 annual financial statements (the generally accepted principles of the PRC), and PricewaterhouseCoopers for reviewing the 2023 interim financial statements (International Financial Reporting Standards) and auditing the 2023 annual financial statements (International Financial Reporting Standards), each for a term of office until the conclusion of the Bank's 2023 annual general meeting, and to authorize the Board to determine their service fees.

LETTER FROM THE BOARD

III. BY-ELECTION OF NON-EXECUTIVE DIRECTORS OF THE THIRD SESSION OF THE BOARD OF DIRECTORS

The Board of the Bank convened a meeting on 31 March 2023 to consider and approve the resolution on the election of Mr. Wang Xiaobin (王曉斌), Mr. Liu Wensheng (劉文聖) and Mr. Meng Sen (孟森) as non-executive Directors of the third session of Board of the Bank. The nominations were made by the Nomination and Remuneration Committee of the Bank in accordance with the Director Nomination Policy of the Bank and took into account the merits of the candidates including, among others, their market knowledge and experience, reputation for integrity, and the Board Diversity Policy (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge), with due regard for the benefits of diversity. Having considered the background and past experience of candidates for Directors as mentioned above and as set out in Appendix II of this circular, the Nomination and Remuneration Committee is of the view that they are appropriate candidates to stand for election and their appointment would further enhance the Board's diversity and performance.

The Board agreed to submit the above list of candidates for Directors for voting at the AGM. The above-mentioned three candidates for non-executive Directors shall be elected on the single-candidate election principle at the AGM. The qualifications of the newly elected Directors shall be subject to approval by CBIRC Guangdong Bureau, and their terms of office shall be commenced from the effective date of approval by CBIRC Guangdong Bureau until the expiry of the term of office of the third session of the Board. The Bank will enter into service contracts with the newly elected Directors. During the term of office of each Director, the Directors will receive remuneration (mainly including basic remuneration and allowances) according to the Implementation Measures for Remuneration Standard of Directors and Supervisors of Guangzhou Rural Commercial Bank Co., Ltd. (《廣州農村商業銀行股份有限公司董事、監事薪酬標準實施辦法》) approved at the 2014 AGM of the Bank. The annual basic remuneration is relatively fixed and allowances are determined based on factors such as meeting attendance and working time at the Bank. The Bank will disclose the Directors' remuneration or allowances in its annual report each year.

Please refer to Appendix II for the biography and relevant information of the candidates for Directors of the third session of Board.

LETTER FROM THE BOARD

IV. MATTERS IN RELATION TO THE ISSUANCE

1. The Issuance

On 26 April 2023, the Board resolved to propose the issuance of not more than 2.964 billion Domestic Shares and not more than 676 million H Shares to eligible subscribers, so as to further optimize the Bank's shareholding structure, improve the capital strength of the Bank, effectively replenish the Bank's core tier-one capital, continue to comply with regulatory requirements, enhance the Bank's resilience to risks and shore up market confidence. The net proceeds raised from the Issuance after deducting related issuance costs will be entirely used to replenish the core tier-one capital of the Bank.

The Issuance will be conducted under the Specific Mandate. Pursuant to the Articles of Association and Rule 19A.38 of the Listing Rules, the Bank will convene the AGM and the Class Meetings to seek approval from the Shareholders in relation to the granting of Specific Mandate in order to conduct the Issuance.

1.1 Proposed Private Placement of Domestic Shares Under Specific Mandate

On 26 April 2023, the Board approved the resolution on the Issuance of Domestic Shares and proposed to seek approval from Shareholders in relation to the granting of Specific Mandate at the AGM and the Class Meetings, to approve and authorize the Board to issue no more than 2.964 billion Domestic Shares to eligible subscribers. The details of the Issuance of Domestic Shares are set out below:

Type and par value of Shares to be issued: The type of Shares to be issued under the Issuance is ordinary Domestic Shares, to be subscribed for in RMB by domestic investors, with par value of RMB1.00 each.

Number of Shares to be issued: The aggregate number of the Shares to be issued under Issuance of Domestic Shares will not exceed 2.964 billion shares, accounting for about 31.78% of the total number of Domestic Shares issued by the Bank before the completion of the Issuance of the Domestic Shares, and approximately 24.12% of the total number of Domestic Shares issued by the Bank immediately after the completion of Issuance of the Domestic Shares. The actual number of Shares to be issued is subject to the approval/registration of regulatory authorities¹.

LETTER FROM THE BOARD

Target placees:

The target placees of the Issuance of Domestic Shares consist of not more than 35 qualified domestic institutional investors. The Board will be authorized to determine the placees and the number of Shares to be subscribed for by them after discussions with the placees and regulatory authorities. The actual placee(s) and the number of Shares subscribed for by them will be subject to the approval/registration of regulatory authorities².

There is no pre-emptive arrangement for the Issuance of the Domestic Shares.

1 The relevant authorities include the CBIRC Guangdong Bureau and CSRC.

2 According to the PRC laws, the CBIRC Guangdong Bureau and the CSRC will examine and approve the Domestic Share issuance plan as a whole mainly under the Implementation Measures for the Administrative Licensing Items concerning Rural Small and Medium-sized Banking Institutions (《農村中小銀行機構行政許可事項實施辦法》) and the Measures for the Supervision and Administration of Unlisted Public Companies (《非上市公眾公司監督管理辦法》). As part of the Domestic Share issuance plan, the actual placee(s) and the number of Shares to be subscribed by them will be submitted to the CBIRC Guangdong Bureau and the CSRC for review and approval/registration.

The Bank currently has no plan to place any Domestic Shares to existing shareholders who are connected persons of the Bank. If any connected person of the Bank will participate in the issuance, the Bank will perform the corresponding approval procedures for connected transactions in strict compliance with the requirements of Chapter 14A of the Listing Rules in respect of connected transactions.

LETTER FROM THE BOARD

Method of pricing:

In accordance with the relevant requirements under the PRC Company Law, the issue price of the Domestic Shares shall not be less than the nominal value of the Shares, being RMB1.00 per Domestic Share. Accordingly, the minimum issue price for the Issuance of Domestic Shares is RMB1.00 per Domestic Share.

The issue price for the Issuance of Domestic Shares will be determined with reference to market practice and regulatory requirements, the capital market condition and the price of the Bank's H Shares, fully taking into account factors such as interest of the Shareholders, acceptability of the investors and issuance risk. The exchange rate of the final issue price will be the exchange rate of Hong Kong dollars to Renminbi quoted by the People's Bank of China on the date when the issue price of the Issuance is determined.

Method of Issuance:

The Issuance of Domestic Shares will be conducted by way of non-public placement of shares to not more than 35 selected places under Specific Mandate.

Timing of Issuance:

The Bank shall select an appropriate occasion and window to complete the Issuance of Domestic Shares according to market conditions after obtaining the approval of the Issuance of Domestic Shares from the Shareholders and the approval/registration of the relevant regulatory authorities (including but not limited to China's securities regulatory and management authorities and China's banking regulatory authority and their local offices) and within the validity period of the Issuance plan approved by the Shareholders at the AGM and the Class Meetings. Given that the Bank will also proceed with the Issuance of H Shares, the Issuance of Domestic Shares will be completed simultaneously with or not earlier than the Issuance of H Shares.

LETTER FROM THE BOARD

Use of proceeds:

In the event that the Domestic Shares are issued in the maximum amount of 2.964 billion shares, the total funds raised from the Issuance of Domestic Shares will be no less than RMB2.964 billion, based on the minimum issue price of not lower than RMB1.00 per Domestic Share.

The net proceeds raised from the Issuance of Domestic Shares after deducting related issuance costs will be entirely used to replenish core tier-one capital of the Bank.

Distribution of retained profit:

The Bank will distribute the profit according to the resolution passed at the AGM before the completion of the Issuance of Domestic Shares. The retained profit accrued before the Issuance of Domestic Shares will be shared by existing and new Shareholders upon the Issuance of Domestic Shares in proportion to their respective shareholdings.

LETTER FROM THE BOARD

Lock-up arrangement:

Domestic Shares to be issued and held by investors participating in the Issuance of Domestic Shares shall be transferred in accordance with the PRC Company Law, the Implementation Rules on the Administrative Licensing of Matters concerning Small and Medium-sized Rural Banking Institutions (《農村中小銀行機構行政許可事項實施辦法》), the Interim Measures on the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》), the Articles of Association and other relevant rules. In particular, any subscriber who is deemed to be a substantial shareholder of the Bank upon completion the Issuance of Domestic Shares shall not transfer their newly-subscribed Shares within 5 years from the date on which the Shares are issued and allotted to them. Substantial shareholders mean shareholders who hold or control more than 5% shares or voting right of a commercial bank, or who hold less than 5% of total capital or total shares of a commercial bank but have significant influence on the operation and management of the commercial bank. The aforementioned “significant influence” includes without limitation the designation of Director(s), Supervisor(s) or senior management to the Bank, exerting influence on the Bank’s financial, operational and management decisions by way of agreement or through other means, and other circumstances as identified by China’s banking regulatory authority or its local offices.

Saved for the above, there are no other lock-up arrangements on the Issuance of Domestic Shares.

LETTER FROM THE BOARD

Validity period: The plan of the Issuance of Domestic Shares shall remain valid for 12 months from the date on which resolutions are considered and approved at the AGM and the Class Meetings. The Board may seek approval of the extension of the validity period for the plan of the Issuance of Domestic Shares at general meetings depending on the actual circumstances.

The relevant proposals on the Issuance of Domestic Shares shall be implemented subject to the consideration and approval at the AGM, the Class Meetings and the approval/registration of the relevant regulatory authorities such as China's banking regulatory institution and China's securities regulatory and management authorities, and ultimately subject to the plan approved/registered by relevant regulatory authorities.

1.2 Proposed Non-public Issuance of H Shares Under Specific Mandate

On 26 April 2023, the Board also approved the resolution on the Issuance of H Shares and proposed to seek approval from Shareholders in relation to the granting of Specific Mandate at the AGM and the Class Meetings, to approve and authorize the Board to issue no more than 676 million H Shares to eligible subscribers. The details of the Issuance of H Shares are set out below:

Type and par value of Shares to be issued: The type of Shares to be issued under the Issuance is ordinary H Shares, with par value of RMB1.00 each.

LETTER FROM THE BOARD

Number of Shares to be issued:

The aggregate number of Shares to be issued under the Issuance of H Shares will not exceed 676 million shares, accounting for about 31.81% of the total number of H Shares issued by the Bank before the completion of the Issuance of H Shares, and approximately 24.13% of the total number of H Shares issued by the Bank immediately after the completion of Issuance of the H Shares. The actual issue number is to be determined with reference to the approval of the Issuance plan by relevant regulatory authorities, market conditions and the actual situation of the Bank.

In addition, as the Bank will also conduct Issuance of Domestic Shares, the actual number of H Shares to be issued by the Bank under the Issuance of H Shares will be determined with reference to the actual number of Domestic Shares to be issued, so as to maintain the minimum public float imposed by the Hong Kong Stock Exchange on the Bank upon completion of the Issuance of H Shares and Domestic Shares.

Target placees:

The target placees of the Issuance of H Shares shall be eligible to subscribe for H Shares of the Bank, and consist of no less than six eligible investors (except as restricted by laws) who are independent of the Bank and its connected persons. The selection of placees is subject to market conditions and the actual conditions of the Bank. In the case that the actual number of placees of the Issuance of H Shares is less than six, the Company will disclose their information in accordance with the Listing Rules.

Method of pricing:

In accordance with the relevant requirements under the PRC Company Law, the issue price of the H Shares shall not be less than the nominal value of the Shares, being RMB1.00 per Share. Accordingly, the minimum issue price for the Issuance of H Shares is RMB1.00 per Share.

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The issue price for the Issuance of H Shares will be determined with reference to international market practice and regulatory requirements, the then capital market conditions and the pricing of the Issuance of Domestic Shares, fully taking into account factors such as interest of the Shareholders, acceptability of the investors and issuance risk. The exchange rate of the final issue price will be the exchange rate of Hong Kong dollar to Renminbi quoted by the People's Bank of China on the date when the issue price for the Issuance of H Shares is determined. The issue price for the Issuance of H Shares shall not represent a discount of more than 20% to the benchmark price. The above benchmark price refers to the higher of the prices below:

- (I) the closing price as of the date of execution of the H Shares placing and subscription agreement;
- (II) the average closing price for the five trading days preceding the earliest of the following three dates;
 - 1. the date when the H Shares placing transaction or arrangement was announced on 26 April 2023, being HK\$2.49;
 - 2. the date of execution of the H Shares placing and subscription agreement;
 - 3. the price determination date of the placement or subscription of H Shares.

Given that the Bank will also conduct the Issuance of Domestic Shares, if the Issuance of H Shares is completed simultaneously with the Issuance of Domestic Shares, the issue price of the H Shares shall be the same as the issue price of the Domestic Shares after adjustment as per the exchange rate.

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- Method of Issuance:** The Issuance of H Shares will be conducted by way of non-public placement of H Shares to selected placees under Specific Mandate.
- Timing of Issuance:** The Bank shall select an appropriate occasion and window to complete the Issuance of new H Shares according to market conditions after obtaining the approval of Issuance of H Shares from the Shareholders and the approval of the relevant regulatory authorities (including but not limited to China's banking regulatory authority and its local offices) and within the validity period of the Issuance plan approved by the Shareholders at the AGM and the Class Meetings. Given that the Bank will also proceed with the Issuance of Domestic Shares, the Issuance of H Shares will be completed simultaneously with or earlier than the Issuance of Domestic Shares.
- Use of proceeds:** In the event that the H Shares are issued in the maximum amount of 676 million shares, the total funds raised from the Issuance of H Shares will be no less than RMB676 million, based on the minimum issue price of not lower than RMB1.00 per H Share.
- The net proceeds raised from the Issuance of H Shares after deducting related issuance costs will be entirely used to replenish core tier 1 capital of the Bank.
- Distribution of retained profit:** The Bank will distribute the profit according to the resolution passed at the AGM before the completion of the Issuance of H Shares. The retained profit accrued before the Issuance of H Shares will be shared by existing and new Shareholders upon the Issuance of H Shares in proportion to their respective shareholdings.

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Validity period: The plan of the Issuance of H Shares shall remain valid for 12 months from the date on which resolutions are considered and approved at the AGM and the Class Meetings. The Board may seek approval of the extension of the validity period for the plan of the Issuance of H Shares at general meetings depending on the circumstances.

Listing arrangement: Application will be made by the Bank for the listing and permission to deal in the new H Shares issued in the Issuance of H Shares on the Hong Kong Stock Exchange.

The relevant proposals on the Issuance of H Shares shall be implemented subject to the consideration and approval at the AGM, the Class Meetings and the approval of the relevant regulatory authorities such as China's banking regulatory authority, and ultimately subject to the plan approved by relevant regulatory authorities.

1.3 Pricing Principle of the Issuance

For details of the methods of pricing of the Issuance, please refer to the sections headed "1.1 Proposed Private Placement of Domestic Shares under the Specific Mandate" and "1.2 Proposed Non-Public Issuance of H Shares under the Specific Mandate" under "IV. MATTERS IN RELATION TO THE ISSUANCE" in this circular.

The Bank will consider the following factors when determining the price of the Issuance: (i) the operation and financial conditions of the Bank; (ii) the prevailing market situation; (iii) the market demand for H Shares; (iv) the issue price of the Shares being no less than the nominal value of the Shares, being RMB1.00 per Share according to the PRC Company Law; and (v) if the Issuance of H Shares is completed simultaneously with the issuance of Domestic Shares, the issue price of H shares shall be the same as the issue price of Domestic Shares after adjusting for exchange rate. As at Latest Practicable Date, the indicative range for the issue price of the Domestic Shares and the H Shares had not yet been determined. For the year ended 31 December 2022, the net assets per Share of the Bank is RMB6.22. The closing price of the H Shares was HK\$2.45 on the Latest Practicable Date.

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In addition, according to Rule 7.27B of the Listing Rules, the Bank may not undertake a Specific Mandate placing that would result in a theoretical dilution effect of 25% or more, unless the Hong Kong Stock Exchange found that there are exceptional circumstances.

1.4 Fund-raising Activities of the Bank for the Past Twelve Months

The Bank (i) completed the issuance and listing of the tier-two capital bonds in a total amount of RMB15 billion on 3 April 2023, details of which are set out in the notice of the Bank dated 29 April 2022, the announcements of the Bank dated 16 June 2022, 24 March 2023 and 3 April 2023 and the circular of the 2021 annual general meeting dated 27 May 2022; and (ii) completed the public issuance of green financial bonds in the national inter-bank bond market with an issuing scale of RMB3 billion on 5 May 2022, details of which are set out in the announcements of the Bank dated 21 April 2022 and 6 May 2022. Saved as the above, Directors confirm that the Bank has not been involved in any fund-raising activities in relation to the issuance of its equity securities within the 12 months immediately preceding the Latest Practicable Date.

1.5 Effect of the Issuance on the Shareholding Structure of the Bank

As at the Latest Practicable Date, the number of the total issued ordinary shares of the Bank is 11,451,268,539 shares, including 9,325,933,539 Domestic Shares and 2,125,335,000 H Shares. The number of the total issued overseas preference shares of the Bank is 71,500,000 shares. The 676 million H Shares to be issued under the Issuance of H Shares accounts for approximately 31.81% of the total number of the issued H Shares before the completion of the Issuance of H Shares, and 24.13% of the total number of H Shares issued by the Bank immediately after the completion of Issuance of the H Shares; and the 2.964 billion Domestic Shares to be issued under the Issuance of Domestic Shares accounts for approximately 31.78% of the total number of issued Domestic Shares before the completion of the Issuance of Domestic Shares, and 24.12% of the total number of Domestic Shares issued by the Bank immediately after the completion of Issuance of the Domestic Shares .

Once allotted, the new Domestic Shares and new H Shares to be issued under the Issuance will rank pari passu in all respect with those Domestic Shares and H Shares already issued when those new Domestic Shares and H Shares are issued and allotted.

Assuming that there are no other changes to the total issued share capital of the Bank other than the Issuance from the Latest Practicable Date to the date of the completion of the Issuance, the shareholding structure of the Bank (1) as at the Latest Practicable Date; (2) immediately after the completion of the Issuance of H Shares (assuming the

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number of H Shares to be issued is 676 million shares, and the Issuance of Domestic Shares is not completed); (3) immediately after the completion of the Issuance (assuming the number of Domestic Shares to be issued is 2.964 billion shares and the number of H Shares to be issued is 676 million shares) is set out as below:

	As at the Latest Practicable Date		Immediately after the completion of the Issuance of H Shares (assuming only 676 million H Shares are issued)		Immediately after the completion of the Issuance (assuming 2.964 billion Domestic Shares and 676 million H Shares are issued)	
	Number of Shares	Approximate percentage of total issued shares of the Bank ⁽¹⁾	Number of Shares	Approximate percentage of total issued shares of the Bank ⁽¹⁾	Number of Shares	Approximate percentage of total issued shares of the Bank ⁽¹⁾
Domestic Shares	9,325,933,539	81.44%	9,325,933,539	76.90%	12,289,933,539	81.44%
Including Total Domestic Shares held by core connected persons	164,065,224	1.43%	164,065,224	1.35%	164,065,224	1.09%
Feng Yaoliang (Director)	100,010,000	0.87%	100,010,000	0.82%	100,010,000	0.66%
Lai Zhiguang (Director)	62,500,000	0.55%	62,500,000	0.52%	62,500,000	0.41%
Liao Wenyi (Director)	1,103,000	0.01%	1,103,000	0.01%	1,103,000	0.01%
Lai Jiaxiong (Supervisor)	452,224	0.004%	452,224	0.004%	452,224	0.003%
Domestic Shares held by placees of the Issuance of Domestic Shares	-	-	-	-	2,964,000,000	19.64%
Domestic Shares held by other non-connected Domestic Shareholders	9,161,868,315	80.01%	9,161,868,315	75.55%	9,161,868,315	60.71%
H Shares (held by public Shareholders)	2,125,335,000	18.56%	2,801,335,000	23.10%	2,801,335,000	18.56%
H Shares held by placees of the Issuance of H Shares	-	-	676,000,000	5.58%	676,000,000	4.48%
H Shares held by other public Shareholders	2,125,335,000	18.56%	2,125,335,000	17.52%	2,125,335,000	14.08%
Total	11,451,268,539	100%	12,127,268,539	100%	15,091,268,539	100%

Note:

(1) Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.

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At the time of our listing in June 2017, the Hong Kong Stock Exchange granted the Bank a waiver from strictly complying with the minimum percentage requirement under Rule 8.08(1) of the Listing Rules. Pursuant to the waiver granted by the Hong Kong Stock Exchange, the minimum percentage of the H Shares held by the public from time to time is reduced to the highest of: (a) 15% of the total issued share capital of the Bank (assuming the over-allotment option is not exercised); (b) such percentage of H Shares to be held by the public immediately after completion of the global offering (assuming the over-allotment option is not exercised); or (c) such percentage of H Shares to be held by the public after the exercise of the over-allotment option. Immediately following the completion of the global offering and the exercise in full of the over-allotment option, the number of H Shares held by the public represents approximately 18.56% of the total issued share capital of the Bank. The Bank expects that the public float of H Shares will, after completion of the Issuance, still meet the minimum percentage requirement as adjusted by the waiver granted by the Hong Kong Stock Exchange.

1.6 Conditions for the Issuance

Pursuant to the PRC Company Law, the Implementation Measures for the Administrative Licensing Items concerning Rural Small and Medium-sized Banking Institutions (《農村中小銀行機構行政許可事項實施辦法》) issued by the CBIRC, Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC, and the Measures for the Supervision and Administration of Unlisted Public Companies (《非上市公眾公司監督管理辦法》) issued by the CSRC, the Listing Rules and the Articles of Association, as at the Latest Practicable Date:

- (1) completion of the Issuance of Domestic Shares is still subject to the fulfillment of the conditions specified below:
 - (i) obtaining the approvals of the AGM and the Class Meetings;
 - (ii) obtaining the approvals/registration from the regulatory authorities, including the CBIRC Guangdong Bureau and the CSRC;
 - (iii) completion of the Issuance of H Shares; and
 - (iv) entering into the subscription agreement(s) between the Bank and investors and such subscription agreement(s) not being terminated in accordance with the terms therein.

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- (2) completion of the Issuance of H Shares is still subject to the fulfillment of the conditions specified below:
- (i) obtaining the approvals of the AGM and the Class Meetings;
 - (ii) obtaining the approvals from the regulatory authorities, including the CBIRC Guangdong Bureau;
 - (iii) entering into the subscription and/or placing agreement(s) between the Bank and the investors and/or the placing agent(s) and such subscription agreement(s)/placing agreement not being terminated in accordance with the terms therein; and
 - (iv) the Listing Committee of the Hong Kong Stock Exchange having granted the permission to list and deal in all of the new H Shares to be issued and placed pursuant to the Issuance of H Shares.

1.7 Reasons for the Issuance

The Issuance is launched mainly to further optimize the Bank's shareholding structure, improve the capital strength of the Bank, effectively replenish the Bank's core tier-one capital, ensure continuous compliance with regulatory requirements, efficaciously enhance the Bank's resilience to risks and shore up market confidence.

According to the Capital Management Measures for Commercial Banks (《商業銀行資本管理辦法》), the core tier-one capital of commercial banks includes paid-in capital (i.e. ordinary shares), capital reserves, etc. After the Issuance, the Bank will directly increase its paid-in capital and capital reserves, thereby increase the core tier-one capital, without taking into consideration the uncertainty of the risk-weighted assets, will in turn effectively increase the core tier-one capital adequacy ratio. At the same time, as total capital includes tier-one capital and tier-one capital includes core tier-one capital, ceteris paribus, the tier-one capital adequacy ratio and capital adequacy ratio of the Bank will also be effectively enhanced.

Capital adequacy ratio is calculated as follows:

$$\text{Capital adequacy ratio} = \frac{\text{Total capital} - \text{Corresponding capital deductions}}{\text{Risk-weighted assets}} * 100\%$$

$$\text{Tier-one capital adequacy ratio} = \frac{\text{Tier-one capital} - \text{Corresponding capital deductions}}{\text{Risk-weighted assets}} * 100\%$$

$$\text{Core tier-one capital adequacy ratio} = \frac{\text{Core tier-one capital} - \text{Corresponding capital deductions}}{\text{Risk-weighted assets}} * 100\%$$

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The Board believes the Issuance will help increase the Bank's capital base, so as to further enhance its capital adequacy indicators to ensure the Bank's continuous compliance with the regulatory requirement. By improving its capital base through the Issuance, the Bank can improve its stability, strengthen the Bank's risk management ability and thus lay a stronger foundation to support its future business growth and sustainable development.

2. Authorizing the Board to Handle Matters in Relation to the Issuance

According to the work requirements of the Issuance, a proposal will be put forward at the AGM and the Class Meetings for the Shareholders to authorize the Board, who would in turn delegate such authority to Mr. Cai Jian, the Chairman, Mr. Lin Ripeng, the Acting President and Mr. Li Yaguang, the Vice President to severally or jointly handle matters in relation to the Issuance, including but not limited to:

- (a) subject to the approval of the issuance plan at the AGM and the Class Meetings, to amend, improve and implement the issuance plan with reference to the opinions of domestic and overseas regulatory authorities and the stock exchanges, taking the market environment and the Bank's condition into consideration, including but not limited to determining the number of Shares to be issued, the issue price, method of pricing, target places, issue time, use of proceeds, lock-up period and other matters in connection with the Issuance; to make corresponding adjustments to matters in connection with the Issuance, such as details of the issuance plan (including suspending and terminating the implementation of the issuance plan) in the event of any change in the relevant laws, regulations, rules, policies or market conditions, except for matters which require re-voting at the general meetings in accordance with the relevant laws, regulations, rules and the Articles of Association.
- (b) to negotiate with the placing agent(s) and/or subscriber(s) on the placing and/or subscription of the Shares (including the terms of the placing agreement(s) and/or share subscription agreement(s)) according to the issuance plans, and to decide, execute, implement and complete the placing agreement(s) and/or share subscription agreement(s) (including supplementary agreement(s) as required).
- (c) to handle all matters related to the examination, registration, filing, approval and consent of the Issuance with domestic and overseas regulatory authorities, stock exchanges and the Hong Kong Stock Exchange according to the issuance plan (including applying to the Hong Kong Stock Exchange for the listing and trading of all the new H Shares under the Issuance on the Hong Kong Stock Exchange); to sign, implement, modify and submit to domestic and overseas institutions, organization and individuals all necessary documents in relation to the Issuance; to do all necessary, expedient or desirable acts related to the Issuance.

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- (d) to prepare, modify, sign, submit, publish, disclose, implement, suspend, terminate all agreements, contracts, announcement, circulars or other relevant legal documents in relation to the Issuance. To engage financial advisors, placing agent(s), law firms, accountants, assets evaluation agency and other intermediaries in relation to the Issuance, as well as to determine and pay for the associated costs for the Issuance.
- (e) to amend the terms in relation to the registered capital, equity structure and other corresponding terms in the Articles of Association, and to proceed with the modification, registration and filing with registration authorities and other relevant governmental authorities upon the completion of the Issuance.
- (f) to handle the registration and listing of the relevant Shares upon the completion of the Issuance; to increase the registered capital of the Bank, subject to the outcome of the Issuance, and to proceed with relevant registration and filing procedures (including application for change of corporate registration particulars and replacement of business license) with industrial and commercial registration authorities.
- (g) to proceed with the registration procedure of the Domestic Shares to be issued through the private placement with China Securities Depository and Clearing Company Limited.
- (h) to approve and authorize the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, on behalf of the Bank (i) to issue share certificates to placees and/or subscribers and to register them in the register of H Shares in Hong Kong as holders of the new H Shares; and/or (ii) to issue share certificates to HKSCC Nominees Limited as holder of the new H shares under the instruction of the placees and/or subscribers and in accordance with the relevant guidelines of the Hong Kong Stock Exchange, and to deliver the share certificates to Hong Kong Securities Clearing Company Limited for deposition into the CCASS accounts maintained and operated by Hong Kong Securities Clearing Company Limited and to register HKSCC Nominees Limited in the register of H Shares in Hong Kong as holders of the new H shares.
- (i) to take all necessary acts to handle other matters related to the Issuance within the scope permitted by relevant laws and regulations.

The authorizations shall be valid for a term of 12 months from the date of being approved at the AGM and the Class Meetings.

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3. Change of Registered Capital of the Bank upon Completion of the Issuance

As the registered capital of the Bank will change upon the completion of the Issuance, the Bank will submit the updated information to the regulatory authority of the banking industry of the PRC in accordance with the requirements of domestic and foreign laws, regulations and other regulatory documents. Upon obtaining the approval, the Bank will amend the relevant articles in the Articles of Association and arrange for the change of registration particulars with the market supervisory authorities.

The Board proposed to the Shareholders for approval at the AGM to authorize the Board, who would in turn authorize Mr. Cai Jian, the Chairman, Mr. Lin Ripeng, the Acting President and Mr. Li Yaguang, the Vice President, to severally or jointly handle, in accordance with changes in domestic and overseas laws, regulations and other regulatory documents, the requirements and recommendations of the relevant domestic and overseas regulatory authorities and the stock exchanges in the places where the Bank is listed, the approval or filing of changes in the registered capital of the Bank and the registration of changes with the market supervisory authorities, the Registrar of Companies in Hong Kong and other relevant government departments, etc..

V. MAJOR TRANSACTION

1. The Transaction and Transaction Mandate

On 26 April 2023, the Board approved the Transaction, pursuant to which the Bank conditionally agrees to transfer Transferred Assets, details of the Transaction and Transaction Mandate are subject to the approval of the AGM. The Board proposes to seek Shareholders' approval of the Transaction Mandate at the AGM, who would in turn delegate such authority to Mr. Cai Jian, the Chairman, Mr. Lin Ripeng, the Deputy President, who is acting as President and Mr. Li Yaguang, the Deputy President, to jointly or severally handle related matters in relation to the Transaction, enabling the Directors and authorised persons to transfer Transferred Assets during the mandate period of the Transaction Mandate.

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The Transaction under the Transaction Mandate shall be conducted in accordance with the following terms:

Mandate period

The Transaction Mandate takes effect during the mandate period (i.e. 12 months from the date of passing the relevant resolution on the Transaction under the Transaction Mandate at the AGM).

Transferred Assets

The Bank conditionally agreed to transfer relevant assets, namely certain credit assets, investment asset management products, bonds, assets formed by conducting commercial acceptance bills and other businesses, and other assets of the Bank. The rights, interests, and obligations related to the assets, the right to request, demand, obtain, and accept receivables arising from therein, the total amount of any debt repayment, and the rights and powers related to the execution and embodiment of the value of the assets shall be transferred from the Bank to the purchaser. The audited book value of the Transferred Assets for the financial year ended 31 December 2022 was RMB12,105 million and the net gain (before tax) for the financial years ended 31 December 2021 and 31 December 2022 were RMB504 million and RMB-1,988 million respectively, and the net gain (after tax) for the financial years ended 31 December 2021 and 31 December 2022 were RMB378 million and RMB-1,491 million respectively.

In accordance with the accounting standards adopted by the reporting accounts of the Bank, the book value of the Transferred Asset shall be calculated based on the following formula:

Book Value = Principal Balance + On-balance-sheet Interest Balance – Impairment

Note: As of 31 December 2022, the on-balance-sheet interest balance of the Transferred Assets is RMB547 million and the impairment of the Transferred Assets is RMB8,469 million.

Over the past three years, affected by geopolitical conflicts, the ongoing COVID-19 pandemic, and other factors, the global economy is on a visible downward trend and domestic economic development is under triple pressures of shrinking demand, supply shocks, and weakening expectations, with consumption and investment growth relatively sluggish. The operating conditions and solvency of some of the Bank's credit clients have become more uncertain. The Transferred Assets have also been affected by the above factors. In order to enhance risk resistance, the Bank made corresponding provision for impairment of the Transferred Assets. The details of the Transferred Assets are set out below:

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1. Classification by industry

As of 31 December 2022, the details of Transferred Assets classified by industry are as follows:

Unit: RMB'0,000

Industry by national standard	Loan amount		Investment amount		Total	
	Principal balance	Percentage	Principal balance	Percentage	Principal balance	Percentage
		%		%		%
Real estate	194,828	13.00%	179,950	35.71%	374,778	18.71%
Construction	58,998	3.94%	0	0.00%	58,998	2.95%
Scientific research and technology service	14,336	0.96%	0	0.00%	14,336	0.72%
Wholesale and retail	940,340	62.74%	124,700	24.74%	1,065,040	53.18%
Manufacturing	52,699	3.52%	0	0.00%	52,699	2.63%
Leasing and business services	188,006	12.54%	199,284	39.55%	387,290	19.34%
Agriculture, forestry, animal husbandry, and fisheries	49,590	3.31%	0	0.00%	49,590	2.48%
Total	1,498,797	100.00%	503,934	100.00%	2,002,731	100.00%

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2. Overdue

As of 31 December 2022, the details of overdue status of the Transferred Assets are as follows:

Unit: RMB'0,000

Overdue of principal and interest	Loan amount		Investment amount		Total	
	Principal balance	Percentage %	Principal balance	Percentage %	Principal balance	Percentage %
Not overdue	148,668	9.92%	0	0.00%	148,668	7.42%
Not more than 1 year (inclusive) overdue	933,130	62.26%	182,700	36.26%	1,115,830	55.72%
1 to 3 (inclusive) years overdue	175,117	11.68%	251,234	49.85%	426,350	21.29%
More than 3 years overdue	241,883	16.14%	70,000	13.89%	311,883	15.57%
Total	1,498,797	100.00%	503,934	100.00%	2,002,731	100.00%

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3. *Classification by asset risk*

As of 31 December 2022, the risk classification of the Transferred Assets is as follows:

Unit: RMB'0,000

Risk classification	Loan amount		Investment amount		Total	
	Principal		Principal		Principal	
	balance	Percentage %	balance	Percentage %	balance	Percentage %
Normal	0	0.00%	0	0.00%	0	0.00%
Concern	763,188	50.92%	199,284	39.54%	962,471	48.06%
Subordinate	216,950	14.47%	0	0.00%	216,950	10.83%
Doubtful	209,050	13.95%	234,650	46.57%	443,700	22.16%
Loss	309,610	20.66%	70,000	13.89%	379,610	18.95%
Total	<u>1,498,797</u>	<u>100.00%</u>	<u>503,934</u>	<u>100.00%</u>	<u>2,002,731</u>	<u>100.00%</u>

Mandate scope

The Bank will submit a proposal at the AGM to proceed with the Transaction under the Transaction Mandate for the Shareholders to authorise the Board to formulate the plan of the Transaction in accordance with the Bank's actual situation and the requirements of regulatory authorities and make appropriate adjustments to it in the light of specific circumstances, organise the implementation of the Transaction, execute all documents relating to the Transaction, exercise the Bank's powers, do such acts and things and take all measures in connection with the Transaction as they consider necessary, appropriate or expedient for the implementation of the Transaction under the Transaction Mandate and the transactions contemplated thereunder.

Consideration and payment

Assuming that the Transferred Assets originally proposed to be transferred as aforesaid is completed, the consideration for the Transaction is estimated to be RMB11–12 billion (subject to the final consideration of the Transaction). The consideration of the Transaction shall be determined between the Bank and the purchaser with reference to the following factors: (1) the audited book value of the Transferred Assets for the financial year ended 31 December 2022, being RMB12.105 billion, which is the total amount of the balance of the debt principal amount of the Transferred Assets of RMB20.027 billion and the on-balance-sheet interest balance of the Transferred Assets of RMB547 million deducted by the impairment of the Transferred Assets

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of RMB8.469 billion; (2) the liquidity of the Transferred Assets, mainly affected by the cash flow of the debtor and the guarantor and the type and value of the collateral. As a result of the continuing COVID-19 pandemic and the downward trend of the global economy, the operation circumstances of the enterprises have generally worsened, and the liquidity of most assets has also weakened; and (3) prevailing market discount ratio of the Transferred Asset which is determined taking into account the cash flow situation of the debtors and guarantors, the type of collateral corresponding to the assets, the price of the collateral, as well as factors such as market demand, transfer conditions and the time frame for the transfer.

The payment schedule for the sale and purchase of each relevant Transferred Asset shall be governed by each specific asset transfer agreement to be entered into between the Bank and the purchaser. No less than 50% of the consideration of the Transaction is expected to be paid prior to the title transfer of the Transferred Assets and the remaining amount is expected to be paid by 31 December 2023. Taking into consideration (a) the aforementioned payment schedule is in line with normal market practice of the similar transactions, and (b) the settlement will take no more than six months upon the Shareholders' approval of the Transaction, the Bank is of the view that such payment schedule is in normal commercial term and reasonable. It is expected that specific asset transfer agreements with standard form will be entered into and the relevant consideration shall be paid by cash after satisfaction of the agreed payment conditions of relevant asset transfer agreements pursuant to the payment terms thereunder.

As at the date of this circular, the asset transfer agreement has not been entered into by the Bank and the purchaser. The Bank will not publish an announcement upon the entering into of each asset transfer agreement under the Transaction, and will publish an completion announcement upon the completion of the Transaction to disclose the information of the purchaser of the Transferred Asset, the aggregate value of the Transferred Asset and consideration of the Transaction.

The Board has fully considered all the factors of the determination of the consideration as stated above. After taking into account the basis of the consideration and the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transaction, the Board, to its best knowledge, believes that the Transaction will not constitute a very substantial disposal under Chapter 14 of the Listing Rules. In the case of the Transaction becomes a very substantial disposal, the Bank would comply with relevant requirements under Chapter 14 of the Listing Rules.

Conditions Precedent

The completion of the Transaction will be subject to the satisfaction of certain conditions precedent which cannot be waived, including the following:

- (a) the approval of the agreement(s) of the Transaction and the transactions contemplated thereunder by the shareholders of the Bank at the AGM;

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- (b) the signature (or stamping of signatory's stamp) by the legal representative, responsible person or authorized person of the Bank and the potential purchasers and the stamping of seal;
- (c) the approval of the agreement(s) of the Transaction and the transactions contemplated thereunder by the potential purchasers; and
- (d) the agreement(s) of the Transaction having been signed and becoming effective upon all necessary approvals required by the parties thereto being obtained in accordance with applicable PRC laws and regulations.

The Board is of the view that the above conditions precedents are in line with the normal commercial terms and in accordance with the PRC laws and regulations, and therefore are fair and reasonable, and are in the interests of the Bank and its Shareholders as a whole.

Completion

Completion shall take place on the date which all the conditions to the asset transfer framework agreement and the relevant specific asset transfer agreements have been fulfilled or waived or such other date as the parties may agree in writing.

2. Information on the Transferred Assets

The Transferred Assets comprise certain credit assets, investment asset management products, bonds, assets formed by conducting commercial acceptance bills and other businesses, and other assets held by the Bank. The rights, interests, and obligations related to the assets, the right to request, demand, obtain, and accept receivables arising from therein, the total amount of any debt repayment, and the rights and powers related to the execution and embodiment of the value of the assets shall be transferred from the Bank to the purchaser.

3. Compliance with laws and regulations

According to the Approval of the China Banking and Insurance Regulatory Commission on Issues Relating to the Legal Effectiveness of the Transfer of Loan-related Creditor's Rights by Commercial Banks to Social Investors (《中國銀行業監督管理委員會關於商業銀行向社會投資者轉讓貸款債權法律效力有關問題的批覆》) (the “**Approval**”), there is no prohibition on the transfer of loan-related creditor's rights by commercial banks to social investors and the transfer contract is effective under contract law. Pursuant to Administrative Measures on the Batch Transfer of Non-performing Assets of Financial Enterprises (《金融企業不良資產批量轉讓管理辦法》) (the “**Administrative Measures**”), financial enterprises

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may combine non-performing assets (10 items or above) of certain size together, and transfer to asset management companies. The Bank confirms that the Transferred Assets in the Transaction are located in the PRC; and the transaction documents and the Transferred Assets will be governed by PRC laws and regulations.

According to the Approval, the transfer of loan-related creditor's rights by commercial banks to social investors shall be conducted in an open manner, such as by auction, in order to form a fair price and be subject to social supervision. Pursuant to the Administrative Measures, the transfer shall be open, fair and impartial, the relevant information shall be fully disclosed in a timely manner, and the financial enterprises may choose public transfer methods including tender, competitive bidding and auction. In summary, the Bank may choose public transfer methods including tender, competitive bidding and auction when transferring assets in a single transaction or in bulk.

In addition, according to the Articles of Association of the Bank, the Transaction shall be approved by the general meeting. Upon the Shareholders' approval, the Bank, as the seller, will invite qualified purchasers to purchase specific assets by way of auction, public bidding and other public transaction approaches in accordance with the relevant laws and regulations in the PRC and the Bank's internal policies ("**Transaction Approaches**"). Therefore, in order to comply with the above regulatory requirements and shorten the time for obtaining internal approval of the Bank, the Board recommends seeking shareholders' approval for the Transaction Mandate, pursuant to which, the Board will be authorized to take necessary actions within the scope of Transaction Mandate approved by shareholders to carry out the Transaction, including but not limited to selecting qualified purchasers by way of auction, public bidding and other public transaction approaches, signing specific transfer agreements and other relevant legal documents.

The Bank consulted its PRC legal adviser, King & Wood Mallesons, and was given to understand that, its PRC legal adviser is of the view that the aforementioned Transaction Approaches do not violate the PRC laws or regulations.

The Transaction under the Transaction Mandate shall comply with relevant applicable laws and regulations. After the implementation of the transfer matter, the Bank will issue a separate announcement to disclose (among others) the identity and main business of the purchasers and its ultimate beneficial owners in the Transaction, as well as the payment terms of the Transaction.

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4. Financial Effect of the Transaction on the Bank

The amount receivable for the Transaction will be reflected in the Bank's 2023 financial statements upon receipt of the above-mentioned consideration. According to relevant accounting standards, the consideration of this asset transaction will flow in cash, the deposit of the Bank at central bank will increase, while the accounts of "loans and advances" and "financial investment assets", which were originally shown as Transferred Assets, will decrease accordingly. The accrued principal and interest of the Transferred Assets will be reduced accordingly based on the consideration of the Transaction. The expected gain/loss of the Transaction will be calculated based on the consideration of the Transaction and the book value of the Transferred Assets. Taking into account the consideration of the Transaction ranging from RMB11 billion to RMB12 billion, the loss of the Transaction is expected to be no more than RMB1 billion. The difference between the transaction consideration and the asset book value (i.e. the net amount of asset after deducting impairment) will affect the financial performance of the Bank. The actual amount will be reflected in the financial statements in the results announcement of the Bank for the corresponding accounting period in 2023. The above-mentioned estimation may be different from the actual financial effect of the Transaction.

5. Use of Proceeds

The proceeds from the Transaction, which are estimated to range from RMB11 billion to RMB12 billion, and are intended to be used for the general working capital of the Bank. The transfer of relevant assets of the Bank will effectively reduce the non-performing loan ratio and provision amount, improve the efficiency level, facilitate the increase of core tier-one capital, and improve the capital adequacy level. At the same time, the transfer of assets will increase the Bank's working capital. The Bank will use the proceeds based on actual business needs.

6. Reasons for and Benefits of the Transaction

The Bank will further enhance the level of refined management, optimize the asset structure and improve the asset quality. Upon completion of the Transaction, the ownership of the relevant Transferred Assets will be transferred from the Bank to the purchasers and the Bank will receive the corresponding cash consideration. The risks of the transferred assets are classified as concern, subordinate, doubtful and loss assets. After the Relevant Assets are removed from the balance sheet, the scale of the Bank's risk assets will be reduced, while achieving rapid cash flow and improving liquidity. The Transaction will effectively enhance the capital adequacy ratio and risk-resilience capability of the Bank, improve operating efficiency and profitability, and optimize the Bank's business structure and assets quality, laying a foundation for achieving overall operation stability and long-term development.

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Therefore, the Directors (including the independent non-executive Directors) believe that the Transaction will be entered into on normal commercial terms in the ordinary and usual course of business of the Bank, which are fair and reasonable, and are in the interests of the Bank and its Shareholders as a whole.

7. Information on the Parties

Information relating to the Group

The Bank is a joint stock company incorporated in the PRC with limited liability on 9 December 2009, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange (H Share Stock Code: 1551, Preference Share Stock Code: 4618). The Bank is principally engaged in corporate banking, retail banking and financial markets business in the PRC.

Information relating to the purchaser

As at the Latest Practicable Date, the purchaser has not yet been determined. The purchaser will be determined by public means in accordance with the PRC laws and regulations, and the Bank will disclose the information relating to the purchaser in accordance with the Listing Rules as and when appropriate. In the case that the purchaser is not an independent third party of the Bank, the Bank will also comply with Chapter 14A of the Listing Rules.

8. Listing Rules Implications

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transaction (measured adopting the book value of the creditors' rights of the Transferred Assets) exceeds 25% but is less than 75%, the Transaction constitutes a major transaction of the Bank under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As none of the existing Shareholders has any material interest in the Transaction and the Transaction Mandate, no Shareholder is required to abstain from voting on the resolution to be proposed at the AGM to approve the Transaction and the Transaction Mandate.

VI. PROPOSED ISSUANCE OF UNDATED CAPITAL BONDS

According to the spirit of the regulatory authorities on improving the capital replenishment mechanism of commercial banks, in order to meet the Bank's needs for long-term stable development and prevention of financial risks, and to further optimize the capital structure, the Board of the Bank proposes to issue undated capital bonds.

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1 Issuing Entity

Guangzhou Rural Commercial Bank Co., Ltd.*.

2 Issuance Type and Size

Written-down undated capital bonds with an aggregate principal amount not exceeding RMB12 billion or equivalent in foreign currencies.

3 Issuance Market

Domestic and overseas bond market.

4 Validity of Issuance

The bonds will continue to be outstanding so long as the Bank continues to operate.

5 Interest Rate of Issuance

To be determined based on the market interest rates.

6 Means of Loss Absorption

Upon the occurrence of triggering events as specified in the issuance documents, the loss shall be absorbed in the manner agreed in the issuance documents.

7 Redemption Right With Conditions

The bonds are issued with the terms on conditional redemption. The Bank has the right to redeem the bonds in whole or in part on each distribution payment date after 5 years (including the distribution payment date of the fifth year) from the issuance date.

The Bank shall exercise the redemption right subject to the approval by the banking regulatory authority and provided that the following conditions are met: 1. the redeemed instrument is replaced with a capital instrument of equal or higher quality and the replacement of the capital instrument can only be effected when the Bank has a sustainable income generating capacity; 2. or the capital level after the exercise of the redemption right is still significantly higher than the regulatory capital requirements prescribed by the banking regulatory authority.

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8 Use of Proceeds

After deducting the issuance expenses, all of the proceeds will be used to supplement the tier-one capital of the Bank in accordance with the applicable laws and under the approval of the competent authorities.

9 Validity Period of the Resolution

Valid for 36 months from the date of approval by the AGM.

10 Scope of Authorization

In order to enable the issuance of the undated capital bonds to proceed efficiently and smoothly, with reference to its peers, the Bank hereby proposes to the general meeting to authorize the Board of the Bank, and the Board shall delegate the mandate to the senior management, subject to the approval of regulatory authorities, to exercise authority at their sole discretion on the relevant matters of the issuance and duration of undated capital bonds in accordance with the specific needs of the Bank as well as other market conditions, including but not limited to:

(I) Authorization in relation to the issuance

- (i) submitting and reporting to, filing and registering with, obtaining approvals and consents from the domestic and overseas governmental departments and/or regulatory authorities and other formalities;
- (ii) executing, implementing, revising, supplementing, completing, delivering and issuing all relevant agreements, contracts and documents (including, without limitation, announcements, circulars and underwriting agreements and contracts for intermediary service, etc.) in connection with the issue of domestic and overseas undated capital bonds to the domestic and overseas regulatory authorities, stock exchanges and organizations;

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- (iii) formulating and implementing specific plans for the issuance of undated capital bonds and fund management, including but not limited to the tendering and procurement of intermediaries, determination of the specific issuance species, currency of bonds, issuance size by installments, issuance method, issuance time, issuance location, issuance tranches, issuance terms, maturity of debt(s), setting of redemption rights, coupon rate, registration and depository of bonds, and applying for listing of the bonds, and to make necessary adjustments and application materials to the specific issuance plan of undated capital bonds and determine the timing of issuance in the light of the implementation, market conditions and policy adjustments, etc.;

The duration of the above authorization in relation to issuance will be valid for a period of thirty-six months from the date of approval by the AGM.

(II) Other authorizations in relation to undated capital bonds

According to the regulations and requirements of relevant regulatory authorities, the undated capital bonds shall be subject to interest payment or distribution, redemption, write-down and other related matters.

The duration of the above other authorizations in relation to undated capital bonds shall commence on the date of approval by the AGM and end on the date of completion of the above authorizations.

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VII. AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURES FOR GENERAL MEETINGS

1. According to the relevant requirements of the regulatory authorities, together with the actual situation of the Bank, the Board of Directors of the Bank on 26 April 2023, considered and approved certain proposed amendments to the existing Articles of Association of the Bank (the “**Proposed Amendments to the Articles of Association**”), aiming to, among other things, (i) ensure that the Articles of Association will be in compliance with the core shareholder protection standards as set out in Appendix III to the Listing Rules; (ii) ensure that the Articles of Association will be in compliance with the amendments to the relevant PRC laws and regulations and (iii) ensure that the Articles of Association will be in line with the actual situation of the Bank. The Proposed Amendments to the Articles of Association shall be subject to the approval by the Shareholders at the AGM and the Class Meetings and take effect from the date of approval by the CBIRC Guangdong Bureau (In particular, as the Bank intends to conduct an issuance of new shares (for details, please refer to this circular and the Bank’s announcement dated 26 April 2023 in relation to the the issuance of shares), the amendments to the articles of the Articles of Association in relation to the change of registered capital and the total number of shares (i.e. Articles 26 and 29) will take effect from the date of approval of the aforesaid issuance of shares by the relevant regulatory authorities and the completion of the issuance). The registered capital and the total number of shares of the Bank will be changed accordingly as a result of the aforesaid issuance of shares, and the Bank will subsequently perform its information disclosure obligations in accordance with the applicable laws and regulations in due course.

A comparison table of the above amendments to the Articles of Association is set out in Appendix V.

2. In view of the Proposed Amendments to the Articles of Association, the Board on 26 April 2023, considered and approved the corresponding amendments to the existing rules of procedures of the Shareholders’ General Meetings (the “**Rules of Procedures of the Shareholders’ General Meetings**”). The proposed amendments to the Rules of Procedures of the Shareholders’ General Meetings shall be approved by the AGM, and take effect from the date of approval of the relevant Proposed Amendments to the Articles of Association by the CBIRC Guangdong Bureau. The existing Rules of Procedures of the Shareholders’ General Meetings shall continue to be valid prior to the approval of the relevant amendments to the Articles of Association by the AGM, the Class Meetings and the CBIRC Guangdong Bureau.

A comparison table of the above amendments to the Rules of Procedures for Shareholder’s General Meetings is set out in Appendix VI.

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VIII. OTHERS

For further information on the other resolutions to be proposed at the AGM, please refer to the 2022 annual report published by the Bank.

IX. THE AGM AND THE CLASS MEETINGS

The Bank will convene the 2022 AGM at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, PRC at 9:30 a.m. on Tuesday, 20 June 2023, the first Domestic Shareholders Class Meeting of 2023 at 10:00 a.m. on the same day or immediately after the conclusion of the AGM (whichever is later), and the first H Shareholders Class Meeting of 2023 at 10:15 a.m. on the same day or immediately after the conclusion of the AGM and the Domestic Shareholders Class Meeting (whichever is later).

Notices of the AGM and the H Shareholders Class Meeting have been dispatched to the Shareholders on 4 May 2023.

Whether or not you intend to attend and/or vote at the AGM and H Shareholders Class Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. If you intend to attend the AGM and/or H Shareholders Class Meeting, you are required to complete and return the reply slip to the H Share Registrar on or before Wednesday, 31 May 2023.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and/or H Shareholders Class Meeting or at any adjournment thereof (as the case may be) should you so wish, and completion and return of the reply slip do not affect the right of a Shareholder to attend and vote at the meeting.

X. METHODS OF VOTING AT THE AGM AND THE CLASS MEETINGS

Pursuant to the requirements of Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the AGM and the Class Meetings shall be taken by the way of poll.

Please be advised that pursuant to the Articles of Association, where a Shareholder has failed to repay a loan from or pledged 50% or more of his/her equity interests in the Bank, the voting rights of such Shareholder at the general meetings shall be subject to restrictions.

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XI. CLOSURE OF THE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM AND H SHAREHOLDERS CLASS MEETING

Holders of H Shares of the Bank are advised that the register of members of the Bank will be closed from Thursday, 15 June 2023 to Tuesday, 20 June 2023 (both days inclusive), during which time no transfer of H Shares of the Bank will be effected or registered.

In order to qualify for attending and voting at the AGM and H Shareholders Class Meeting, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Wednesday, 14 June 2023.

The notice of the Domestic Shareholders Class Meeting will be published by the Bank separately.

Shareholders whose names appear on the register of members of the Bank at the close of business on Wednesday, 14 June 2023 are entitled to attend and vote at the AGM and the Class Meetings.

XII. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the ordinary and special resolutions to be proposed at the AGM and the Class Meetings are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favor of all resolutions to be proposed at the AGM and the Class Meetings.

By Order of the Board
Guangzhou Rural Commercial Bank Co., Ltd.*
Cai Jian
Chairman

* *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

In order to strengthen the management of related party transactions of the Bank and prevent the risks associated with related party transactions, the Bank has estimated the annual caps for material related party transactions with major shareholders in 2023 in accordance with Administrative Measures on Related Party Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》) and the Notice of the Rural Banking Department of CBIRC on Strengthening Supervision over Related Party Transactions of Small and Medium Banking Institutions (Yinbaojian Nongyinfafa [2019] No.43) (《中國銀保監會農村銀行部關於加強中小銀行機構關聯交易監管的通知》(銀保監農銀發[2019]43號)) in relation to the “material related party transactions involving major shareholders and their controlling shareholders or de facto controllers shall, in principle, be reviewed by the Board and submitted to the general meeting for approval”, the details of which are set out below:

I. OVERVIEW OF RELATED PARTY TRANSACTIONS

The related party transactions expected to be conducted are normal business activities within the scope of business of the Bank, are conducive to fully exploiting the resource advantages of high-quality related-party customers and facilitating the Bank’s business expansion. The relevant related party transactions are expected to be based on the existing partnership with relevant related parties and the reasonable expectation on business development of the Bank, and the estimated caps and the trading content involved are in compliance with the actual needs of business.

Fair transactions between the Bank and its related parties are conducted stringently following the principle of market-based pricing and are carried out on terms no more favorable than those of similar transactions available to non-related parties. These transactions do not involve tunneling of interests or price manipulation, do no harm to the interests of the Bank and its Shareholders, conform to the principle of fairness under the requirements on management of related party transactions and have no adverse impact on the Bank’s ability to continue as a going concern, profit or loss and condition of assets.

II. BASIC INFORMATION OF ESTIMATED ANNUAL CAPS FOR RELATED PARTY TRANSACTIONS

(1) Execution of credit granting in 2022 and estimated annual cap of credit granting in 2023

The estimated annual cap of credit granting related party transactions in 2022 was RMB68,321 million, the credit balance of credit granting related party transactions as of 31 December 2022 was RMB28,187 million and the estimated annual cap of credit granting related party transactions in 2023 will be RMB80,100 million. Details are as follows:

Unit: RMB in 100 millions

No.	Related parties	Estimated annual cap for 2022	Balance as at 31 December 2022	Estimated annual cap for 2023
1	Guangzhou Metro Group Co., Ltd. and its affiliates	100	66.20	119
2	Guangzhou City Renewal Group Co., Ltd. and its affiliates	81	51.34	81
3	Guangzhou Finance Holdings Group Co., Ltd. and its affiliates	141.75	8.18	119
4	AEON Life Insurance Co., Ltd. and its affiliates	20	7.00	15
5	Guangzhou Radio Group Co., Ltd. and its affiliates	35	1.50	119
6	Guangzhou Lingnan Business Travel Investment Group Co., Ltd. and its affiliates	50	10.61	60
7	Zhongxian International Holdings Co., Ltd., Shanghai Dazhan Investment Management Company Limited and their affiliates	41	25.40	38
8	Guangdong Yingxin Information Investment Co., Ltd., Guangdong Zhujiang Roads & Bridges Investment Co., Ltd. and their affiliates	15	0	5
9	Fengchi Investment Co., Ltd. and its affiliates	39	30.38	38
10	Foshan Dongjian Group Co., Ltd. and its affiliates	35	11.30	30
11	Guangzhou Huaxin Group Co., Ltd. and its affiliates	28.46	27.31	35

APPENDIX I ESTIMATED ANNUAL CAPS FOR MATERIAL RELATED PARTY TRANSACTIONS WITH MAJOR SHAREHOLDERS IN 2023

No.	Related parties	Estimated annual cap for 2022	Balance as at 31 December 2022	Estimated annual cap for 2023
12	Guangdong Dongsheng Industrial Co., Ltd. (廣東東升實業有限公司) and its affiliates	15	0	15
13	Guangzhou Gongkong Capital Management Co., Ltd. and its affiliates	81	42.52	119
14	Longdong Economic Development Company, Tianhe District, Guangzhou City and its affiliates	1	0.13	8
Total		683.21	281.87	801

(2) Execution of non-credit granting in 2022 and estimated annual cap of non-credit granting in 2023

In 2022, the expected quota for non-credit granting related party transactions was RMB24.879 billion. As of 31 December, 2022, the balance of non-credit granting related party transactions was RMB13.583 billion, mainly consisting of wealth management and large deposits. In 2023, the expected quota for non-credit granting related party transactions is RMB267.88 billion, including: expected quota for deposits and other types is RMB247.5 billion; the expected quota for asset transfer types is RMB20 billion, with a single related party and its affiliated enterprises not exceeding RMB10 billion; and the expected quota for service provision types is RMB380 million. The expected quota for non-credit granting in 2023 is RMB243.001 billion higher than that in 2022, due to the relevant provisions of the “Notice on the Issuance of the Data Reporting Specification for the Banking and Insurance Related Transactions Supervision System(《關於發佈〈銀行業保險業關聯交易監管系統數據填報規範〉有關事項的通知》)” issued by the China Banking and Insurance Regulatory Commission in May 2022, which requires the expected quota for non-credit granting related party transactions to be based on the cumulative amount.

III. MAJOR CORPORATE SHAREHOLDERS

(I) Guangzhou Metro Group Co., Ltd.

Date of establishment	November 1992	Registered capital	RMB 58.4 billion
Relationship with the Bank	Major shareholder holding more than 5% of the shares		
Basic information	Scope of business: construction of landscape and greening works; general cargo storage services (excluding items requiring permit approval such as dangerous chemicals); advertising (non-radio, television and newspaper publishing units); railway transport auxiliary activities; metalworking machinery manufacturing, etc..		

(II) Guangzhou City Renewal Group Co., Ltd.

Date of establishment	April 1985	Registered capital	RMB 6 billion
Relationship with the Bank	Major shareholder holding more than 5% of the shares		
Basic information	Scope of business: park management services; hotel management; business management; housing demolition services; corporate headquarters management; investment activities with own funds; property management; non-residential real estate leasing; residential leasing; real estate consultancy; external contracting works; floral and greenery leasing and delegate management; public utility management services; institutional elderly care services; elderly care services; land remediation services; real estate development and operation; general contracting for housing construction and municipal infrastructure projects; residential interior decoration and renovation.		

(III) Guangzhou Finance Holdings Group Co., Ltd.

Date of establishment	December 2006	Registered capital	RMB 9.96 billion
Relationship with the Bank	Proposed appointment of directors to the Bank to manage it as a major shareholder of the Bank		
Basic information	Investment of own funds; asset management (excluding licensed items); investment advisory services; investment management services.		

(IV) AEON Life Insurance Co., Ltd.

Date of establishment	June 2009	Registered capital	RMB 7.79 billion
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: life insurance, health insurance, accident insurance and other types of personal insurance business; reinsurance business for the above businesses; insurance capital operation as permitted by national laws and regulations; other businesses approved by the CIRC.		

(V) Guangzhou Radio Group Co., Ltd.

Date of establishment	February 1981	Registered capital	RMB 1 billion
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: corporate headquarters management; trade advisory services; investment advisory services; investment of own funds; asset management (excluding licensed items); own real estate operating activities; housing rental; venue rental (excluding warehousing); import and export of goods (except franchised and controlled commodities); import and export of technology; wholesale trade in commodities (except licensed commodities); wholesale of electrical equipment; wholesale of software; wholesale of communication equipment and ancillary equipment; sale of general mechanical equipment; sale of electrical mechanical equipment; wholesale of instruments and meters; wholesale of electronic products; wholesale of environmental protection equipment; operation of unlicensed medical apparatus; cargo inspection agency services; cargo declaration agency services; logistics agency services; operation of licensed medical apparatus; wholesale of medical diagnostic, guardianship and treatment equipment.		

(VI) Guangzhou Lingnan Business Travel Investment Group Co., Ltd.

Date of establishment	June 1996	Registered capital	RMB 720 million
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: corporate headquarters management; corporate management services (except those involving licensed items); asset management (excluding licensed items); supply chain management; corporate management consulting services; corporate image planning services; public relations services; market research services; commodity information consulting services; marketing planning services; conference and exhibition services; investment of own funds, etc..		

(VII) Shanghai Dazhan Investment Management Company Limited

Date of establishment	May 2007	Registered capital	RMB 3.05 billion
Relationship with the Bank	Managed as a major shareholder of the Bank		
Basic information	Scope of business: licensed items: real estate development and operation; construction engineering design. General items: industrial investment, investment management, business information consulting, property management, hotel management, department stores, jewellery and gold and silver jewellery sales, car park operation, conference and exhibition services, exhibition display services, advertising (non-radio, television, newspaper and publication units).		

(VIII) Guangdong Zhujiang Roads & Bridges Investment Co., Ltd.

Date of establishment	October 1999	Registered capital	RMB 4 billion
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: investment, management and consultation in the construction of highways, roads, bridges, tunnels and various municipal public projects; sales of: construction materials, construction machinery and equipment; investment and construction, economic information, business, financial and market information advisory services; marketing planning services.		

(IX) Fengchi Investment Co., Ltd.

Date of establishment	May 2007	Registered capital	RMB 1.3 billion
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: investment and asset management; investment advisory; investment consultancy services.		

(X) Longdong Economic Development Company, Tianhe District, Guangzhou City

Date of establishment	September 1987	Registered capital	RMB 2 million
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: leasing of premises (excluding warehousing); property management; market management, stall rental; own real estate activities; warehousing agency services; housing rental; professional car parking services.		

(XI) Foshan Dongjian Group Co., Ltd.

Date of establishment	February 1988	Registered capital	RMB 120 million
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: real estate development, sale of commercial properties, renovation, construction and demolition of old urban areas; the following business projects are operated by the subordinate branches: architectural design, decoration works, property management, concrete products and pipe pile manufacturing.		

(XII) Guangzhou Huaxin Group Co., Ltd.

Date of establishment	May 2002	Registered capital	RMB 1.5 billion
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: creative planning services; commodity information consulting services; business management consulting services; venue rental (excluding warehousing); advertising; information technology consulting services.		

(XIII) Zhongxian International Holdings Co., Ltd.

Date of establishment	September 2003	Registered capital	RMB 2.25 billion
Relationship with the Bank	Managed as a major shareholder of the Bank		
Basic information	Scope of business: licensed items: high-risk sports (swimming); real estate development and operation; import and export of goods; import and export of technology. General items: marketing planning; ticketing agency services; e-commerce, etc..		

(XIV) Guangdong Dongsheng Industrial Co., Ltd.

Date of establishment	November 2010	Registered capital	RMB 300 million
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: business management, corporate headquarters management; business management consulting; information consulting services (excluding licensed information consulting services); consulting and planning services; investment activities with own funds; non-residential real estate leasing; property management; software development; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; manufacturing of non-metallic mineral products.		

(XV) Guangzhou Gongkong Capital Management Co., Ltd.

Date of establishment	August 2000	Registered capital	RMB 3.66 billion
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: asset management (excluding licensed items); investment of own funds; investment advisory services; business management advisory services; wholesale trading of goods (except licensed goods).		

(XVI) Guangdong Yingxin Information Investment Co., Ltd.

Date of establishment	January 2000	Registered capital	RMB 554 million
Relationship with the Bank	A major shareholder of the Bank		
Basic information	Scope of business: retailing of daily household appliances; retailing of arts and crafts and collectibles (except ivory and its products); retailing of computer software and hardware and ancillary equipment; sale of network equipment; sale of lighting equipment, etc..		

Mr. Wang Xiaobin (王曉斌), male, born in January 1977, a member of the Communist Party of China, and has a master's degree in business administration from Sun Yat-sen University. He currently serves as the secretary of the Party Committee and general manager of the financial management department of Guangzhou Metro Group Co., Ltd., and concurrently serves as the deputy general manager of Guangzhou Metro Construction Investment and Financing Co., Ltd. (廣州地鐵建設投融資有限公司), the director of Guangzhou Metro Investment Finance (HK) Limited (廣州地鐵投融資(香港)有限公司), and the director of Guangzhou Metro Investment and Financing (BVI) Co., Ltd. (廣州地鐵投融資(維京)有限公司), vice chairman of Guangzhou Green Infrastructure Industry Investment Fund Management Co., Ltd. (廣州綠色基礎設施產業投資基金管理有限公司), director of the Urban Rail Transit Accounting Academic Committee of the China Construction Accounting Institute (中國建設會計學會), director of the 8th corporate board member of the Taxation Institute of Guangzhou (廣州市稅務學會), director of Guangzhou Metro Design and Research Institute Co., Ltd. (廣州地鐵設計研究院股份有限公司), and director of Guangdong Pearl River Delta Intercity Rail Co., Ltd. (廣東珠三角城際軌道有限公司). He once served as an assistant economist in the planning department, the chief budget analyst, the supervisor, and manager of the budget analysis department of the finance headquarters, the general manager assistant and manager of the budget analysis department of the finance headquarters, and the deputy general manager of the financial management department of Guangzhou Metro Group Co., Ltd. (formerly known as Guangzhou Metro Corporation before restructuring).

Mr. Liu Wensheng (劉文聖), male, born in September 1968, a member of the Communist Party of China, has a master's degree in economics from Northeast Normal University, and is a senior economist. He currently serves as the member of the Party Committee and deputy general manager of Guangzhou Finance Holdings Group Co., Ltd.. He once served as a staff of Changchun People's Square Sub-branch, a staff of international business department of Changchun Branch, an assistant to president, vice president and vice president (responsible for the overall operation) of Changchun Chaoyang Sub-branch of China Construction Bank, president of the Tianhe Sub-branch of Guangzhou Commercial Bank, general manager of credit review department and assistant to president (during which: concurrently served as the general manager of credit review department and the general manager of corporate finance department) of Guangzhou Commercial Bank, an assistant to the president of Guangzhou Bank (during which: concurrently served as leader of preparation team of Shenzhen Branch and president of Shenzhen Branch), a member of the Party Committee and chairman of the Board of Supervisors of Guangzhou Rural Commercial Bank, the secretary of the Disciplinary Committee and a member of the Party Committee of Guangzhou Finance Holdings Group Co., Ltd., the chief of the Discipline Inspection and Supervision Team of Municipal Commission for Discipline Inspection and Supervision stationed in Guangzhou Finance Holdings, a member of the Party Committee and deputy general manager (during which: concurrently served as the secretary of the Party Committee of Daye Trust Co., Ltd.) of Guangzhou Financial Holding Group Co., Ltd..

Mr. Meng Sen (孟森), male, born in May 1968, a member of the Communist Party of China, and has a master's degree in statistics from Shanghai University of Finance and Economics. He currently serves as the deputy secretary of the Party Branch of AEON Insurance Asset Management Co., Ltd.. He once served as a programmer in the computer center of the production planning department of the Plant 7105 of the Ministry of Aeronautics and Astronautics, a lecturer in the School of International Economic and Trade Management of Shanghai International Studies University, a financial officer of the business department and Shanghai headquarters of Ping An Securities Company Limited, a portfolio manager of the asset operation center of Ping An Insurance (Group) Company of China, Ltd., and a chief assistant, deputy general manager, and general manager of the investment management department of Ping An Asset Management Co., Ltd., general manager of asset liability management department of the Ping An Insurance (Group) Company of China, Ltd., assistant to general manager (and Chief Investment Officer) of Ping An Life Insurance Company of China, Ltd., director of China Fortune Land Development Co., Ltd. (華夏幸福基業股份有限公司), and director of Shanghai Jahwa United Co., Ltd. (上海家化聯合股份有限公司).

All of the above candidates for directors have confirmed that they had no disagreement on their nominations respectively. The resolutions on their appointment as non-executive directors of the Bank are subject to the consideration at the AGM of the Bank. After the resolutions are approved, the Bank will submit to the CBIRC Guangdong Bureau for approval of their qualification, and their term of office will be calculated from the effective date of the approval from the CBIRC Guangdong Bureau until the expiry of the term of office of the third session of the Board. The Bank will enter into services contracts with newly elected Directors. During their term of office, the Directors will be remunerated in accordance with the Implementation Measures for the Remuneration Standards of Directors and Supervisors of Guangzhou Rural Commercial Bank Co., Ltd.* (《廣州農村商業銀行股份有限公司董事、監事薪酬標準實施辦法》) as approved at the annual general meeting of the Bank in 2014. The compensation mainly includes basic remuneration that is relatively fixed and allowance, which shall be determined based on factors such as meeting attendance and working duration in the Bank. The Bank will disclose the remuneration or allowance of the Directors in the annual report every year.

As of the Latest Practicable Date, save as disclosed in this circular, the above candidates for Directors have confirmed that they have not held any directorship, supervisorship in other listed companies in the past three years or any other major appointment or qualification, or any other position with the Bank or its subsidiaries. The above candidates for Directors have confirmed that they have no other relationship with any other Directors, Supervisors, senior management or substantial shareholders of the Bank, nor do they have any interests within the meaning of Part XV of the SFO. The above candidates for Directors have confirmed that they do not have any relationship with the Bank or its controlling shareholders and de facto controllers, nor have they been punished or disciplined by relevant regulatory authorities.

Save as disclosed in this circular, there are no other matters relating to above candidates for Directors that need to be brought to the attention of the Shareholders nor are there any other matters to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the year ended 31 December 2022 are disclosed in the 2022 annual report published on the website of Hong Kong Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042803749.pdf>) and the website of the Bank (<https://eng.grcbank.com/engrcbank/tzzgx/gsgg/dqbg/2023042820045960419/2023042820044521715.pdf>).

Details of the financial information of the Group for the year ended 31 December 2021 are disclosed in the 2021 annual report published on the website of Hong Kong Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042102188.pdf>) and the website of the Bank (<https://www.grcbank.com/grcbank/tzzgx/gsgg/dqbg/2022042122511387575/2022042122510323619.pdf>).

Details of the financial information of the Group for the year ended 31 December 2020 are disclosed in the 2020 annual report published on the website of Hong Kong Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0430/2021043001053.pdf>) and the website of the Bank (<https://www.grcbank.com/grcbank/tzzgx/gsgg/dqbg/2021052116442132995/2021052116441160361.pdf>).

2. INDEBTEDNESS STATEMENT

As of 31 March 2023 (being the date for the purpose of this indebtedness statement), the Group has the following indebtedness:

- certificates of interbank deposit in an aggregate principal amount of RMB96,920 million;
- tier-two capital debts in an aggregate principal amount of total of RMB15,000 million;
- other debt securities in an aggregate principal amount of total of RMB3,000 million;
- deposits from customers, loans from the central bank, loans from other banks, deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements that arose from the normal course of the Group's banking business;
- loan commitments, acceptances, letters of credit and letters of guarantee issued, other commitments and contingent liabilities that arose from the normal course of banking business carried out by the Group; and
- lease liabilities in an amount of RMB725 million.

As of 31 March 2023, the liabilities involving guarantees or collateral of the Group are mainly the sales of repurchase financial assets and borrowing from the central bank. In addition, bank acceptance bills, letters of credit issued by banks, and bank guarantees all belong to the category of guarantee commitment business, for which banks provide guarantees for customer debt repayment, being a routine off balance sheet business operated by banking institutions.

Except as disclosed above, the Group did not have, as of 31 March 2023, any outstanding mortgages, charges, debentures, other debt capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities.

The Directors have confirmed that there has not been any material change in the indebtedness or contingent liabilities of the Group since 31 March 2023.

3. WORKING CAPITAL

The Bank is principally engaged in business operations within mainland China. The Bank's banking business model does not involve the need for sufficient capital to purchase goods or the conversion of goods into income through sales. Therefore, the concept of working capital is not a key indicator of the Bank's solvency. In evaluating the financial condition of the Bank, working capital information is not useful to the Shareholders, but certain other financial indicators, such as capital adequacy ratio and liquidity ratio, are more relevant in measuring the financial condition of a bank.

As a rural commercial bank established in the PRC, the Bank shall comply with the regulations of the regulatory authority of the banking industry of the PRC on regulatory capital and shall maintain the minimum capital requirements. Therefore, the Bank will provide financial indicators such as the Bank's capital adequacy ratio and liquidity ratio below.

(1) Capital adequacy ratio

The Bank calculated and disclosed the capital adequacy ratios according to the Administrative Measures for the Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) (effective since 1 January 2013) promulgated by the China Banking Regulatory Commission. According to the Administrative Measures for the Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) (Order No. 1 [2012], CBRC), the minimum regulatory requirements of the Bank's core tier 1 capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio shall be no less than 7.5%, 8.5% and 10.5% respectively. As of 31 December 2020, 2021 and 2022, the capital adequacy ratio of the Bank met the regulatory requirements.

	As of 31 December 2020	As of 31 December 2021	As of 31 December 2022
Capital adequacy ratio indicators (%)			
Core tier-one capital adequacy ratio	9.20	9.68	9.21
Tier-one capital adequacy ratio	10.74	11.06	10.56
Capital adequacy ratio	12.56	13.09	12.59
 Total equity to total assets	7.38	7.48	7.15

(2) Liquidity ratio

Liquidity ratio of the Bank is calculated in accordance with the formula promulgated by the regulatory authority of the banking industry of the PRC. According to the Measures for the Liquidity Risk Management of Commercial Banks (《商業銀行流動性風險管理辦法》) (Order No. 3 [2018], CBIRC), the minimum regulatory requirements of the Bank's liquidity ratio shall be no less than 25%. As of 31 December 2020, 2021 and 2022, the liquidity ratio of the Bank met the regulatory requirements.

	As of 31 December 2020	As of 31 December 2021	As of 31 December 2022
Liquidity ratio	87.52%	93.15%	101.76%

4. FINANCIAL AND TRADING PROSPECTS

In 2022, affected by external factors such as the spillover of the Russia-Ukraine conflict and the unusual interest rate hikes in developed economies, as well as the frequent outbreak of domestic pandemic in China, our economic development confronted the triple pressures of shrinking demand, supply shocks and weakening expectations, but the long-term positive fundamentals of China's economy remain unchanged and the favourable conditions for building a new development pattern remained unchanged. Under the strong leadership of the Party Central Committee, the annual GDP amounted to approximately RMB121 trillion and the annual economic growth rate was 3.0%, demonstrating strong resilience and vitality.

In 2022, under the guidance of the 14th Five-Year Strategic Plan, the Bank insisted on focusing on the main responsibilities and main business, explored the local origin, overcame difficulties to promote business transformation and development and asset quality control, firmly implemented the “customer doubling plan”, served the rural revitalization, supported agriculture and small and medium-sized enterprises, optimized the product system, continuously enhanced service efficiency, deeply promoted reform and innovation in four major areas, namely operation and management mode, recruitment and employment mechanism, risk management mechanism and performance assessment mechanism to enhance management, control risk and optimize structure, maintain steady growth in business scale, ensure the stable asset quality and continuously strengthen business characteristics.

In 2023, under the correct guidance of the 20th National Congress of the Communist Party of China, and with the guidance of investment and close coordination of fiscal and monetary policies, China will fully implement the strategy of expanding domestic demand and organically link up with deepening the structural reform on the supply side, attracting global resource elements through the domestic circulation, enhancing the linkage effect of two resources in the domestic and international markets, upgrading the quality and level of trade and investment cooperation, and focusing on developing the real economy, stabilising food and energy security and financial stability. In 2023, the financial regulatory policy will further strengthen the constraints and guidance on commercial banks and other financial institutions, enhance the construction of a financial safety and security system, and guard the bottom line against systemic risks. As the mainstay of China’s financial system, the banking industry shall increase its financial support to the key areas of economic stability, provide medium- and long-term capital support to advanced manufacturing industries and strategic emerging industries, and provide normalization financial supply to inclusive small and micro enterprises and “Sannong”, so as to promote its own effective improvement in quality and reasonable growth in quantity through serving the high-quality development of the real economy.

In 2023, the Bank will make scientific adjustment in its development strategy and business objectives based on the phased requirements of the development strategy planning as well as the forward-looking prediction of domestic and foreign macroeconomic situation, further strengthen its responsibilities as a municipal-level state-owned financial enterprise, fully serve the overall situation of high-quality development for provinces and cities, firmly support the real economy, prevent and defuse major risks, make great efforts to develop four characteristic businesses, deeply advance the management reform, intensify assets quality control, promote structural optimization, make transformation and productivity improvement, improve quality and expand quantity, and strive to achieve high quality development of business operation.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for purpose of giving information with regard to the Bank. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

2. DISCLOSURE OF INTERESTS**(a) Directors, Chief Executives and Supervisors' Interests in the Bank or its Associated Corporations**

As of the Latest Practicable Date, based on the information available to the Bank and as far as the Directors are aware, the interests and short positions of the Directors, chief executives and Supervisors of the Bank in the Shares, underlying Shares and debentures of the Bank or any associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register of interests kept pursuant to section 352 of the SFO, or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code were set out as follows:

Directors', chief executives' and Supervisors' interests in the Bank

Name	Capacity	Nature of Interest	Class of shares	Long/ Short position	Number of shares held directly or indirectly (Share)	Approximate percentage of interests in the Bank	Approximate percentage of the relevant class of shares
							of the Bank
Feng Yaoliang	Director	Interest of a controlled corporation ⁽¹⁾	Non-overseas listed shares	Long	100,010,000	0.873%	1.072%
Lai Zhiguang	Director	Interest of a controlled corporation ⁽²⁾	Non-overseas listed shares	Long	62,500,000	0.546%	0.670%
Liao Wenyi	Director	Beneficial owner	Non-overseas listed shares	Long	1,103,000	0.010%	0.012%
Lai Jiaxiong	Supervisor	Beneficial owner	Non-overseas listed shares	Long	452,224	0.004%	0.005%

Notes:

- (1) These shares were held by Guangzhou Huaxin Group Co., Ltd., which was owned as to 99.54% by Feng Yaoliang. Therefore, by virtue of the SFO, Feng Yaoliang, a director of the Bank, is deemed or taken to be interested in all the shares held by Guangzhou Huaxin Group Co., Ltd..
- (2) These shares were held by Guangdong Dongsheng Industrial Co., Ltd., which was owned as to 100% by Guangdong Dongsheng Holding Group Co., Ltd., and Lai Zhiguang owned 80% of the shares of Guangdong Dongsheng Holding Group Co., Ltd.. Therefore, by virtue of the SFO, Lai Zhiguang, a director of the Bank, is deemed or taken to be interested in all the shares held by Guangzhou Dongsheng Industrial Co., Ltd..

Directors', chief executives' and Supervisors' interests in the Bank's associated corporations

Name	Capacity	Name of associated corporation	Nature of Interest	Number of shares held (Share)	Approximate percentage in the issued Shares in the associated corporation
					of the associated corporation
Lai Zhiguang	Director	Dalian Bonded Area Zhujiang County Bank Co., Ltd.	Interest in a controlled corporation	10,000,000	2.86%

Save as disclosed above, none of the Directors, chief executives or Supervisors had any interests or short positions in the Shares, underlying Shares or debentures of the Bank or any associated corporations (as defined in Part XV of the SFO) which were required to be recorded in the register kept pursuant to section 352 of the SFO or which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Interests of Substantial Shareholders and Other Persons in Shares and Underlying Shares

As at the Latest Practicable Date, to the best knowledge of any Directors, the following persons (other than Directors, chief executives or Supervisors of the Bank) had interest or short positions in Shares or underlying Shares required to be disclosed pursuant to the provisions of Section 2 and 3 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have under such provisions of the SFO), or directly or indirectly interested in 5% or more of the nominal value of any class of Shares carrying ancillary rights to vote in all circumstances at general meetings of any members of the Group:

Name of shareholder	Nature of interest	Class of shares	Long/short position	Number of shares held directly or indirectly (Share)	Approximate percentage of interest in the Bank	Approximate percentage of the relevant class of shares of the Bank
Guangzhou Municipal People's Government ⁽¹⁾	Interest of a controlled corporation	Non-overseas listed shares	Long	3,124,589,712	27.29%	33.50%
Aeon Life Insurance Company Limited	Beneficial owner	H Shares	Long	295,229,000	2.58%	13.89%
Guangzhou Hong Hui Investment Co., Ltd ⁽²⁾	Beneficial owner	H Shares	Long	200,991,000	1.76%	9.46%
Zeng Weipeng ⁽²⁾	Interest of a controlled corporation	H Shares	Long	114,558,840	1.00%	5.39%
Good Prospect Corporation Limited ⁽³⁾	Beneficial owner	H Shares	Long	294,530,203	2.57%	13.86%

Name of shareholder	Nature of interest	Class of shares	Long/short position	Number of shares held directly or indirectly (Share)	Approximate percentage of interest in the Bank	Approximate percentage of the relevant class of shares of the Bank
Liu Feng ⁽³⁾	Interest of a controlled corporation	H Shares	Long	294,530,203	2.57%	13.86%
East Lake Technology Limited ⁽⁴⁾	Beneficial owner	H Shares	Long	294,554,000	2.57%	13.86%
Deng Geng ⁽⁴⁾	Interest of a controlled corporation	H Shares	Long	294,554,000	2.57%	13.86%
Manureen Investment Limited ⁽⁵⁾	Beneficial owner	H Shares	Long	221,424,797	1.93%	10.42%
Lin Xiaohui ⁽⁵⁾	Interest of a controlled corporation	H Shares	Long	221,424,797	1.93%	10.42%
Su Jiaohua ⁽⁵⁾	Interest of spouse	H Shares	Long	221,424,797	1.93%	10.42%
Lead Straight Limited ⁽⁶⁾	Beneficial owner	H Shares	Long	195,229,000	1.70%	9.19%
Grandbuy International Trade (HK) Limited ⁽⁶⁾	Interest of a controlled corporation	H Shares	Long	195,229,000	1.70%	9.19%
Guangzhou Lingnan Business Travel Investment Group Co., Ltd. ⁽⁶⁾	Interest of a controlled corporation	H Shares	Long	195,229,000	1.70%	9.19%
Harvest Fund Management Co., Ltd. ⁽⁷⁾	Beneficial owner	H Shares	Long	187,000,000	1.63%	8.80%
China Credit Trust Co., Ltd. ⁽⁷⁾	Interest of a controlled corporation	H Shares	Long	187,000,000	1.63%	8.80%

Name of shareholder	Nature of interest	Class of shares	Long/short position	Number of shares held directly or indirectly (Share)	Approximate percentage of interest in the Bank	Approximate percentage of the relevant class of shares of the Bank
Guangzhou City Construction Investment Development Company Limited ⁽⁸⁾	Beneficial owner	H Shares	Long	551,900,000	4.82%	25.97%
Guangzhou City Construction Investment Group Co., Ltd. ⁽⁸⁾	Interest of a controlled corporation	H Shares	Long	561,249,000	4.90%	26.41%

Notes:

- (1) These 3,124,589,712 shares include 722,950,000 shares directly held by Guangzhou Metro Group Co., Ltd. (廣州地鐵集團有限公司), 666,735,193 shares directly held by Guangzhou City Renewal Group Co., Ltd. (廣州城市更新集團有限公司), 366,099,589 shares directly held by Guangzhou Finance Holdings Group Co., Ltd. (廣州金融控股集團有限公司), 319,880,672 shares directly held by Guangzhou Vanlead Group Co., Ltd. (廣州萬力集團有限公司), 310,728,411 shares directly held by Guangzhou Radio Group Co., Ltd. (廣州無線電集團有限公司), 273,889,019 shares directly held by Guangzhou Lingnan Business Travel Investment Group Co., Ltd. (廣州嶺南商旅投資集團有限公司), 204,360,000 shares directly held by Guangzhou Industrial Investment Holding Group Co., Ltd. (廣州工業投資控股集團有限公司), 137,283,914 shares directly held by Guangzhou Light Industry & Trade Group Co., Ltd. (廣州輕工工貿集團有限公司), 45,312,844 shares directly held by Guangzhou Gongkong Capital Management Co., Ltd. (廣州工控資本管理有限公司), 33,405,752 shares directly held by Guangzhou Lingnan International Enterprise Group Co., Ltd. (廣州嶺南國際企業集團有限公司), 18,304,522 shares directly held by Guangzhou Guangyong State-owned Assets Management Co., Ltd. (廣州市廣永國有資產經營有限公司), 9,152,261 shares directly held by Guangzhou Textiles Industry & Trade Holdings Ltd. (廣州紡織工貿企業集團有限公司), 9,152,261 shares directly held by Guangzhou Development Zone Industrial Development Group Co., Ltd. (廣州開發區工業發展集團有限公司), 7,052,469 shares directly held by Guangzhou Port Group Co., Ltd. (廣州港集團有限公司) and 282,805 shares directly held by Guangzhou Yunpu Industrial Zone Baiyun Enterprises Development Company (廣州市雲埔工業區白雲實業發展總公司).
- (2) Guangzhou HongHe Investment Co., Ltd. is owned as to 90% by Zeng Weipeng, and Guangzhou HongHui Investment Co., Ltd. is owned as to 63.33% by Guangzhou HongHe Investment Co., Ltd.. Therefore, Zeng Weipeng is deemed to be interested in the 200,991,000 shares by virtue of the SFO.
- (3) Liu Feng wholly owns Good Prospect Corporation Limited. Therefore, Liu Feng is deemed to be interested in the 294,530,203 shares by virtue of the SFO.
- (4) Deng Geng wholly owns East Lake Technology Limited. Therefore, Deng Geng is deemed to be interested in the 294,554,000 shares by virtue of the SFO.

- (5) Manureen Investment Limited is owned as to 70% by Lin Xiaohui. Therefore, Lin Xiaohui is deemed to be interested in the 221,424,797 shares by virtue of the SFO. Su Jiaohua is the spouse of Lin Xiaohui. Therefore, Su Jiaohua is deemed to be interested in the 221,424,797 shares by virtue of the SFO.
- (6) Guangzhou Lingnan Business Travel Investment Group Co., Ltd. wholly owns Grandbuy International Trade (HK) Limited, which in turn wholly owns Lead Straight Limited. Therefore, Guangzhou Lingnan Business Travel Investment Group Co., Ltd. and Grandbuy International Trade (HK) Limited are deemed to be interested in the 195,229,000 shares by virtue of the SFO.
- (7) Harvest Fund Management Co., Ltd. is owned as to 40% by China Credit Trust Co., Ltd.. Therefore, China Credit Trust Co., Ltd. is deemed to be interested in the 187,000,000 shares by virtue of the SFO.
- (8) These 561,249,000 shares include 551,900,000 shares directly held by Guangzhou City Construction Investment Development Company Limited (廣州市建設投資發展有限公司) and 9,349,000 shares directly held by Guangzhou Xinhua Urban Development Industry Investment Enterprise (Limited Partnership) (廣州新華城市發展產業投資企業(有限合夥)). Therefore, Guangzhou City Construction Investment Group Co., Ltd. (廣州市城市建設投資集團有限公司) is deemed to be interested in the 561,249,000 shares by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, no other person (other than the Directors, chief executives or Supervisors of the Bank) had an interest or short position in the Shares or underlying Shares of the Bank required to be disclosed to the Bank pursuant to Divisions 2 and 3 of Part XV of the SFO, and as recorded in the register required to be kept by the Bank pursuant to section 336 of the SFO.

3. INTEREST IN CONTRACTS OR ARRANGEMENTS

As at the Last Practical Date, none of the Directors had a significant interest in any contract or arrangement that is still in effect and significant to the business of the Group.

4. INTEREST IN ASSETS

As at the Last Practical Date, none of the Directors had any direct or indirect interest in any assets purchased, sold or leased, or proposed to purchase, sell or lease by any member company of the Group since 31 December 2022 (i.e. the date of preparation of the latest audited financial statements published by the Group).

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors of the Bank had any existing or proposed service contracts with the Group or any associates of the Group, which expires within one year or the Group may terminate within one year without compensation (excluding statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of them and their respective associates had any interests in a business which competes or is likely to compete with the business of the Group.

7. MATERIAL CONTRACTS

No contracts (other than those entered into in the ordinary business course), which are, or may be, material, have been entered into by the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date.

8. MATERIAL LEGAL LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Bank was not engaged in any legal litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors pending or threatened by or against the Bank.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of HKEX news of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Bank (<http://www.grcbank.com>) within 14 days from the date of this circular:

- (a) the Bank's annual reports for the three years ended 31 December 2022, which contain the audited consolidated financial statements of the Bank for those three years;
- (b) this circular.

10. GENERAL INFORMATION

- (a) As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated statements of the Group were made up.
- (b) The address of the registered office of the Bank is No. 9, Yingri Road, Huangpu District, Guangzhou, the PRC.
- (c) The address of the share registrar of the Bank, Computershare Hong Kong Investor Services Limited, is Shops 1712-1716, 17 Floor, Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong.
- (d) Ms. Zheng Ying and Dr. Ngai Wai Fung served as the joint company secretaries of the Bank. Dr. Ngai Wai Fung is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, and also a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

No.	Original Articles	Amended Articles	Basis of Amendment
1	<p>Article 1 For the purpose of protecting the legitimate rights and interests of Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter referred to as the “Bank”), its shareholders and creditors, and of regulating the structure and acts of the Bank, the Articles of Association of the Bank (hereinafter referred to as the “Articles”) are hereby formulated in accordance with the Constitution of the Communist Party of China, the Working Rules of Primary-level Party Organizations of State- owned Enterprises (for trial implementation), the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Commercial Bank Law of the People’s Republic of China (hereinafter referred to as the “Commercial Bank Law”), the Banking Supervisory and Administrative Law of the People’s Republic of China (hereinafter referred to as the “Banking Supervisory and Administrative Law”), the Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, (hereinafter referred to as the “Mandatory Provisions”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), “the State Council Guiding Opinions on the Experimental Development of Preference Shares”, “The Trial Administrative Measures on Preference Shares”, “the Guiding Opinions on Commercial Banks Offering Preferred Shares to Replenish Tier 1 Capital”, “Corporate Governance Guidelines for Banking and Insurance Institutions”, “the Interim Measures for Equity Management of Commercial Banks” as well as other relevant laws and regulations, departmental rules and regulatory documents.</p>	<p>Article 1 For the purpose of protecting the legitimate rights and interests of Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter referred to as the “Bank”), its shareholders and creditors, and of regulating the structure and acts of the Bank, the Articles of Association of the Bank (hereinafter referred to as the “Articles”) are hereby formulated in accordance with the Constitution of the Communist Party of China, the Working Rules of Primary-level Party Organizations of State- owned Enterprises (for trial implementation), the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Commercial Bank Law of the People’s Republic of China (hereinafter referred to as the “Commercial Bank Law”), the Banking Supervisory and Administrative Law of the People’s Republic of China (hereinafter referred to as the “Banking Supervisory and Administrative Law”), the Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”); the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, (hereinafter referred to as the “Mandatory Provisions”); the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), “the State Council Guiding Opinions on the Experimental Development of Preference Shares”, “The Trial Administrative Measures on Preference Shares”, “the Guiding Opinions on Commercial Banks Offering Preferred Shares to Replenish Tier 1 Capital <u>(2019 Revision)</u>”, “Corporate Governance Guidelines for Banking and Insurance Institutions”, “the Interim Measures for Equity Management of Commercial Banks” as well as other relevant laws and regulations, departmental rules and regulatory documents.</p>	<p>1. Amendments have been made in accordance with the Decision of the State Council on Abolishing Some Administrative Regulations and Documents, Articles 34 and 35 of the Trial Measures for the Administration of Domestic Enterprises’ Overseas Issuance of Securities and Listing, and the Guiding Opinions on Commercial Banks Offering Preferred Shares to Replenish Tier 1 Capital jointly issued by the China Banking Regulatory Commission and the China Securities Regulatory Commission (2019 Revision) of the China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission and other relevant provisions.</p> <p>2. Standardised the use of punctuation.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
2	<p>Article 9 In accordance with the relevant regulations of the Constitution of the Communist Party of China, the Working Rules of Primary-level Party Organizations of State-owned Enterprises (for trial implementation) and the Company Law, establish the Committee of the Communist Party of China of Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter the “Party Committee of the Bank”). The Party Committee of the Bank has established Party Committee Office, Party-Mass Relationship Work Department, Party Committee Organization Department, Party Committee Propaganda Department and other working organizations equipped with a certain number of full-time staff to deal with Party affairs and guarantee the working expense.</p> <p>In accordance with the requirements for the reform of the discipline inspection and supervision system of municipal financial enterprises, the Municipal Commission for Discipline Inspection has dispatched a discipline inspection and supervision team to Guangzhou Rural Commercial Bank to perform its supervisory responsibilities on the Bank. In accordance with the Party constitution and the decision of the Party Committee of the Bank, special discipline inspectors are dispatched to all operating institutions of the Bank to perform the functions of supervision within the Party.</p>	<p>Article 9 In accordance with the relevant regulations of the Constitution of the Communist Party of China, the Working Rules of Primary-level Party Organizations of State-owned Enterprises (for trial implementation) and the Company Law, establish the Committee of the Communist Party of China of Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter the “Party Committee of the Bank”). The Party Committee of the Bank has established Party Committee Office, Party-Mass Relationship Work Department, Party Committee Organization Department, Party Committee Propaganda Department and other working organizations equipped with a certain number of full-time staff to deal with Party affairs and guarantee the working expense.</p> <p>In accordance with the requirements for the reform of the discipline inspection and supervision system of municipal financial enterprises, the Municipal Commission for Discipline Inspection has dispatched a discipline inspection and supervision team to Guangzhou Rural Commercial Bank to perform its supervisory responsibilities on the Bank. In accordance with the Party constitution and the decision of the Party Committee of the Bank, special discipline inspectors are dispatched to all operating institutions of the Bank to perform the functions of supervision within the Party.</p> <p><u>In accordance with the relevant provisions of the Constitution of the Communist Youth League of China and the Working Rules of Primary-level Party Organizations of State-Owned Enterprises of the Communist Youth League of China (for trial implementation)”, the Committee of the Communist Youth League of China of the Guangzhou Rural Commercial Bank Co., Ltd. was established, equipped with the cadres as required, guaranteed funding for the work of the League organization, and carried out a variety of Youth League activities.</u></p>	<p>Amended in accordance with the Notice on the Issuance of Several Measures on Further Strengthening the Work of Party Building Driving League Building in State-owned Enterprises in Guangzhou in the New Era and other relevant provisions of the Guangzhou Committee of the Communist Youth League and the State-owned Assets Supervision and Administration Commission of the Guangzhou Municipal People’s Government of the Communist Party of China.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
3	<p>Article 26 As approved by the approval department authorized by the State Council, the Bank may issue a total of 11,451,268,539.00 ordinary shares. Upon its establishment, the Bank issued 6,873,418,539.00 ordinary shares to its promoters, of which 4,023,418,539.00 shares were subscribed for by the members of the former Guangzhou Rural Credit Cooperative by way of share exchange, and 2,850,000,000.00 shares were subscribed for by the promoters in monetary capital.</p> <p>The Bank issued 2,125,335,000.00 overseas listed foreign shares (H shares) upon approval by the approval departments as authorized by the State Council.</p> <p>The Bank's ordinary share capital consists of 11,451,268,539.00 ordinary shares, among which 9,325,933,539.00 are domestic shares, representing 81.44% of the total issuable ordinary shares of the Bank; and 2,125,335,000.00 H shares, representing 18.56% of the total issuable ordinary shares of the Bank.</p> <p>The Bank issued 71,500,000 overseas preference shares.</p>	<p>Article 26 As approved by the approval department authorized by the State Council, the Bank may issue a total of 11,451,268,539.00[•] ordinary shares. Upon its establishment, the Bank issued 6,873,418,539.00 ordinary shares to its promoters, of which 4,023,418,539.00 shares were subscribed for by the members of the former Guangzhou Rural Credit Cooperative by way of share exchange, and 2,850,000,000.00 shares were subscribed for by the promoters in monetary capital.</p> <p>The Bank issued 2,125,335,000.00[•] overseas listed foreign shares (H shares) upon approval by the approval departments as authorized by the State Council.</p> <p>The Bank's ordinary share capital consists of 11,451,268,539.00[•] ordinary shares, among which 9,325,933,539.00[•] are domestic shares, representing 81.44[•]% of the total issuable ordinary shares of the Bank; and 2,125,335,000.00[•] H shares, representing 18.56[•]% of the total issuable ordinary shares of the Bank.</p> <p>The Bank issued 71,500,000 overseas preference shares.</p>	Amended in line with actual situation of the Bank.
4	<p>Article 29 The registered capital of the Bank is RMB11,451,268,539.00, which is equal to its paid-up capital.</p>	<p>Article 29 The registered capital of the Bank is RMB11,451,268,539.00[•], which is equal to its paid-up capital.</p>	Amended in line with actual situation of the Bank.

No.	Original Articles	Amended Articles	Basis of Amendment
5	<p>Article 49 Share certificates of the Bank shall be in registered form. Share certificates of the Bank must specify the following details:</p> <p>(1) the name of the Bank;</p> <p>(2) the incorporation date of the Bank;</p> <p>(3) the class, par value and number of shares that each share certificate represents;</p> <p>(4) the serial number of the share certificates;</p> <p>(5) other matters that must be specified according to the Company Law, the Special Regulations and the requirements of the securities regulatory authorities and the stock exchange of the place where the shares of the Bank are listed;</p> <p>(6) if shares that do not have voting rights are counted towards the share capital of the Bank, such shares shall bear the phrase “no voting rights” in their title;</p> <p>(7) if shares carrying different voting rights are counted towards the share capital of the Bank, these classes of shares (except for the class of shares with the most privileged voting rights) shall bear the phrase “restricted voting rights” or “limited voting rights” in their titles.</p> <p>The overseas listed foreign shares of the Bank may be in the form of foreign depository receipts or in other derivative forms of shares in accordance with the laws and the securities registration and depository practices prevailing in the jurisdiction the shares of the Bank are listed in.</p>	<p>Article 49 Share certificates of the Bank shall be in registered form. Share certificates of the Bank must specify the following details:</p> <p>(1) the name of the Bank;</p> <p>(2) the incorporation date of the Bank;</p> <p>(3) the class, par value and number of shares that each share certificate represents;</p> <p>(4) the serial number of the share certificates;</p> <p>(5) other matters that must be specified according to the Company Law, the Special Regulations and the requirements of the securities regulatory authorities and the stock exchange of the place where the shares of the Bank are listed;</p> <p>(6) if shares that do not have voting rights are counted towards the share capital of the Bank, such shares shall bear the phrase “no voting rights” in their title;</p> <p>(7) if shares carrying different voting rights are counted towards the share capital of the Bank, these classes of shares (except for the class of shares with the most privileged voting rights) shall bear the phrase “restricted voting rights” or “limited voting rights” in their titles.</p> <p>The overseas listed foreign shares of the Bank may be in the form of foreign depository receipts or in other derivative forms of shares in accordance with the laws and the securities registration and depository practices prevailing in the jurisdiction the shares of the Bank are listed in.</p>	<p>Amended in accordance with the Decision of the State Council on Abolishing Some Administrative Regulations and Documents and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
6	<p>Article 53 The Bank shall keep a complete register of members.</p> <p>The register of members shall comprise the following parts:</p> <p>(1) the register kept at the Bank's domicile, apart from those mentioned under items (2) and (3);</p> <p>(2) the registers of members of the overseas listed foreign shares (excluding preference shares) of the Bank kept at the location(s) of the overseas stock exchange(s) on which the shares are listed;</p> <p>(3) any other register of members kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares (including ordinary shares and preference shares) of the Bank.</p>	<p>Article 53 The Bank shall keep a complete register of members and make it available for inspection by its shareholders.</p> <p>The register of members shall comprise the following parts:</p> <p>(1) the register kept at the Bank's domicile, apart from those mentioned under items (2) and (3);</p> <p>(2) the registers of members of the overseas listed foreign shares (excluding preference shares) of the Bank kept at the location(s) of the overseas stock exchange(s) on which the shares are listed;</p> <p>(3) any other register of members kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares (including ordinary shares and preference shares) of the Bank.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>
7	<p>Article 55 If the laws, administrative regulations, departmental rules, normative documents, the requirements of the stock exchange where securities of the Bank are listed and the relevant regulatory authorities have provisions regarding the book closure period of share transfer registration before the Shareholders' general meeting or the base date on which the Bank decides to distribute dividends, the provisions shall prevail.</p>	<p>Article 55 If the laws, administrative regulations, departmental rules, normative documents, the requirements of the stock exchange where securities of the Bank are listed and the relevant regulatory authorities have provisions regarding the book closure period of share transfer registration before the Shareholders' general meeting or the base date on which the Bank decides to distribute dividends (including but not limited to section 632 of the Hong Kong Companies Ordinance, etc.), the provisions shall prevail.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
8	<p>Article 62 A common shareholder of the Bank shall enjoy the following rights:</p> <p>(1) to receive dividends and other kinds of distributions as determined by the number of shares held by them;</p> <p>(2) to request for convention, convene, preside over, attend in person or by a proxy general meeting, and exercise voting rights based on the number of the shares held by him/her in accordance with the law;</p> <p>(3) to supervise the business operation of the Bank, and to make suggestions and enquires accordingly;</p> <p>(4) to transfer, bestow or pledge shares held by him/her in accordance with the laws, regulations, regulatory provisions and the provisions of the Articles of Association;</p> <p>(5) to obtain relevant information in accordance with the laws, regulations, regulatory provisions and the provisions of the Articles of Association, including:</p> <p>1) to obtain a copy of the Articles of Association after its cost has been paid;</p> <p>2) to inspect and copy the following documents after a reasonable fee has been paid:</p> <p>(i) all parts of the register of members;</p>	<p>Article 62 A common shareholder of the Bank shall enjoy the following rights:</p> <p>(1) to receive dividends and other kinds of distributions as determined by the number of shares held by them;</p> <p>(2) to request for convention, convene, preside over, attend in person or by a proxy general meeting, speak at the shareholders' general meeting and exercise voting rights based on the number of the shares held by him/her in accordance with the law (unless individual shareholders are required to abstain from voting to approve the matter under consideration in accordance with applicable Rules Governing the Listing of Securities as amended from time to time);</p> <p>(3) to supervise the business operation of the Bank, and to make suggestions and enquires accordingly;</p> <p>(4) to transfer, bestow or pledge shares held by him/her in accordance with the laws, regulations, regulatory provisions and the provisions of the Articles of Association;</p> <p>(5) to obtain relevant information in accordance with the laws, regulations, regulatory provisions and the provisions of the Articles of Association, including:</p> <p>1) to obtain a copy of the Articles of Association after its cost has been paid;</p> <p>2) to inspect and copy the following documents after a reasonable fee has been paid:</p> <p>(i) all parts of the register of members;</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>(ii) the personal information of directors, supervisors, and senior management of the Bank, including:</p> <p>(1) present and former names and alias;</p> <p>(2) main address (domicile);</p> <p>(3) nationality;</p> <p>(4) professional job and other part-time occupation and position;</p> <p>(5) identification documents and its number.</p> <p>(iii) status of the share capital of the Bank;</p> <p>(iv) reports on the aggregate par value, number of shares, and highest and lowest prices of each class of shares in relation to any repurchase by the Bank of its own shares since the last financial year, as well as all the expense paid by the Bank in relation to such repurchases;</p> <p>(v) minutes of the general meetings;</p> <p>(vi) the latest audited financial statements and the reports of the Board of Directors, auditors and the Board of Supervisors;</p> <p>(vii) special resolutions;</p> <p>(viii) the copy of the latest corporate annual report submitted to the administrative authorities for industry and commerce or other competent authorities for filing;</p>	<p>(ii) the personal information of directors, supervisors, and senior management of the Bank, including:</p> <p>(1) present and former names and alias;</p> <p>(2) main address (domicile);</p> <p>(3) nationality;</p> <p>(4) professional job and other part-time occupation and position;</p> <p>(5) identification documents and its number.</p> <p>(iii) status of the share capital of the Bank;</p> <p>(iv) reports on the aggregate par value, number of shares, and highest and lowest prices of each class of shares in relation to any repurchase by the Bank of its own shares since the last financial year, as well as all the expense paid by the Bank in relation to such repurchases;</p> <p>(v) minutes of the general meetings;</p> <p>(vi) the latest audited financial statements and the reports of the Board of Directors, auditors and the Board of Supervisors;</p> <p>(vii) special resolutions;</p> <p>(viii) the copy of the latest corporate annual report submitted to the administrative authorities for industry and commerce or other competent authorities for filing;</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>(ix) counterfoil of bonds, minutes of the meetings of the Board of Directors, and minutes of the meetings of the Board of Supervisors, and financial and accounting reports of the Bank;</p> <p>Except for the documents mentioned in item (2) above, the Bank shall maintain all documents set out in items (1) to (8) above at its domicile in Hong Kong according to the Hong Kong Listing Rules to make them available for free inspection by the public and shareholders of its overseas listed shares. Documents mentioned in item (5) shall only be available for the shareholders with voting rights at relevant shareholder's general meetings.</p> <p>Copies of minutes of the shareholders' meetings are available for shareholders' inspection free of charge during working hours of the Bank. Upon request of any shareholder obtaining the copies of the relevant meeting minutes, the Bank shall dispatch the relevant copies within seven days after receipt of a reasonable fee.</p> <p>(6) to participate in the distribution of the remaining assets of the Bank based on the number of shares held in the event of the dissolution or liquidation of the Bank;</p> <p>(7) to request the Bank to repurchase shares from such shareholders who voted against the resolutions adopted at a general meeting to merge or divide the Bank;</p> <p>(8) to have other rights conferred in accordance with the laws, administrative regulations and the Articles of Association.</p>	<p>(ix) counterfoil of bonds, minutes of the meetings of the Board of Directors, and minutes of the meetings of the Board of Supervisors, and financial and accounting reports of the Bank;</p> <p>Except for the documents mentioned in item (2) above, the Bank shall maintain all documents set out in items (1) to (8) above at its domicile in Hong Kong according to the Hong Kong Listing Rules to make them available for free inspection by the public and shareholders of its overseas listed shares. Documents mentioned in item (5) shall only be available for the shareholders with voting rights at relevant shareholder's general meetings.</p> <p>Copies of minutes of the shareholders' meetings are available for shareholders' inspection free of charge during working hours of the Bank. Upon request of any shareholder obtaining the copies of the relevant meeting minutes, the Bank shall dispatch the relevant copies within seven days after receipt of a reasonable fee.</p> <p>(6) to participate in the distribution of the remaining assets of the Bank based on the number of shares held in the event of the dissolution or liquidation of the Bank;</p> <p>(7) to request the Bank to repurchase shares from such shareholders who voted against the resolutions adopted at a general meeting to merge or divide the Bank;</p> <p>(8) to have other rights conferred in accordance with the laws, administrative regulations and the Articles of Association.</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>Shareholders who fail to apply to the regulatory authority for approval or fail to report to the regulatory authority, despite being required to do so, are not permitted to exercise the right to request convening of a shareholders' general meeting, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;</p> <p>For a shareholder that makes any false statement, abuses shareholders' rights or otherwise damages the interests of a commercial bank, the banking regulatory authority of the State Council or its local offices may restrict or prohibit connected transactions between the commercial bank and the shareholder, restrict the limit of equity held in the commercial bank, and equity pledge ratio, etc., and restrict its right to request convening of a shareholders' general meeting, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;</p> <p>If any person who has direct or indirect interest of the Bank does not disclose such interest to the Bank and exercises the rights of shares, the Bank shall not damage his/her rights based on shares of the Bank in freezing or other ways.</p>	<p>Shareholders who fail to apply to the regulatory authority for approval or fail to report to the regulatory authority, despite being required to do so, are not permitted to exercise the right to request convening of a shareholders' general meeting, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;</p> <p>For a shareholder that makes any false statement, abuses shareholders' rights or otherwise damages the interests of a commercial bank, the banking regulatory authority of the State Council or its local offices may restrict or prohibit connected transactions between the commercial bank and the shareholder, restrict the limit of equity held in the commercial bank, and equity pledge ratio, etc., and restrict its right to request convening of a shareholders' general meeting, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;</p> <p>If any person who has direct or indirect interest of the Bank does not disclose such interest to the Bank and exercises the rights of shares, the Bank shall not damage his/her rights based on shares of the Bank in freezing or other ways.</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
9	<p>Article 74 The general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:</p> <p>(1) to decide on business policies and investment plans of the Bank;</p> <p>(2) to elect and replace non-employee directors and supervisors and decide the remuneration of relevant directors and supervisors;</p> <p>(3) to examine and approve reports prepared by the Board of Directors;</p> <p>(4) to examine and approve reports prepared by the Board of Supervisors;</p> <p>(5) to examine and approve annual budgets, final accounts, balance sheet, profit report and other financial reports;</p> <p>(6) to examine and approve profit distribution plans and plans for making up for losses of the Bank;</p> <p>(7) to adopt resolutions concerning the increase and reduction of the registered capital of the Bank;</p> <p>(8) to adopt resolutions on the issuance of bonds and other securities of the Bank and the listing thereof;</p> <p>(9) to adopt resolutions on the merger, division, dissolution, liquidation and change of the form of the Bank;</p> <p>(10) to amend the Articles of Association;</p>	<p>Article 74 The general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:</p> <p>(1) to decide on business policies and investment plans of the Bank;</p> <p>(2) to elect and replace non-employee directors and supervisors and decide the remuneration of relevant directors and supervisors;</p> <p>(3) to examine and approve reports prepared by the Board of Directors;</p> <p>(4) to examine and approve reports prepared by the Board of Supervisors;</p> <p>(5) to examine and approve annual budgets, final accounts, balance sheet, profit report and other financial reports;</p> <p>(6) to examine and approve profit distribution plans and plans for making up for losses of the Bank;</p> <p>(7) to adopt resolutions concerning the increase and reduction of the registered capital of the Bank;</p> <p>(8) to adopt resolutions on the issuance of bonds and other securities of the Bank and the listing thereof;</p> <p>(9) to adopt resolutions on the merger, division, dissolution, liquidation (including voluntary winding-up) and change of the form of the Bank;</p> <p>(10) to amend the Articles of Association;</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>(11)to resolve the appointment, re- appointment or removal of accounting firm that conducts regular audit of the Bank's financial reports;</p> <p>(12)to examine the single purchase or disposal of material assets (including but not limited to equity interest, fixed assets and other assets) or provision of any guarantee(s) in an amount exceeding 10% of the latest audited net assets;</p> <p>(13)to examine and approve any proposals submitted by any shareholder who individually or jointly hold more than three percent of the total voting rights shares of the Bank (including holders of preference shares with their voting rights restored);</p> <p>(14)to decide on the issuance of preference shares; to decide or authorize the Board of Directors to decide any matters in relation to the preference shares issued by the Bank, including but not limited to redemption, conversion and payment of dividends;</p> <p>(15)to examine and approve the rules of procedures for shareholders' general meetings, the rules of procedures for the Board of Directors and the rules of procedures for the Board of Supervisors;</p> <p>(16)to examine and approve the share incentive schemes;</p> <p>(17)to resolve the acquisitions of the shares of the Bank in accordance with the provisions of the laws;</p> <p>(18)to examine and approve any other matters required by the laws, administrative regulations, regulatory provisions and the Articles of Association to be approved by a general meeting.</p>	<p>(11)to resolve the appointment, re- appointment or removal of accounting firm that conducts regular audit of the Bank's financial reports <u>and its remuneration;</u></p> <p>(12)to examine the single purchase or disposal of material assets (including but not limited to equity interest, fixed assets and other assets) or provision of any guarantee(s) in an amount exceeding 10% of the latest audited net assets;</p> <p>(13)to examine and approve any proposals submitted by any shareholder who individually or jointly hold more than three percent of the total voting rights shares of the Bank (including holders of preference shares with their voting rights restored);</p> <p>(14)to decide on the issuance of preference shares; to decide or authorize the Board of Directors to decide any matters in relation to the preference shares issued by the Bank, including but not limited to redemption, conversion and payment of dividends;</p> <p>(15)to examine and approve the rules of procedures for shareholders' general meetings, the rules of procedures for the Board of Directors and the rules of procedures for the Board of Supervisors;</p> <p>(16)to examine and approve the share incentive schemes;</p> <p>(17)to resolve the acquisitions of the shares of the Bank in accordance with the provisions of the laws;</p> <p>(18)to examine and approve any other matters required by the laws, administrative regulations, regulatory provisions and the Articles of Association to be approved by a general meeting.</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
	The powers of the shareholders' general meeting as stipulated in the Company Law and Article 18 of the Corporate Governance Guidelines for Banking and Insurance Institutions shall not be authorized to the Board of Directors, other institutions or individuals to exercise.	The powers of the shareholders' general meeting as stipulated in the Company Law and Article 18 of the Corporate Governance Guidelines for Banking and Insurance Institutions shall not be authorized to the Board of Directors, other institutions or individuals to exercise.	
10	<p>Article 82 The shareholders shall provide a written proposal to the Board of Directors when they make a request to convene an extraordinary general meeting or class meeting and shall act in compliance with the following procedures:</p> <p>(1) Two or more shareholders (including holders of preference shares with their voting rights restored) holding in aggregate ten percent or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions in writing requiring the Board of Directors to convene a shareholders' extraordinary general meeting or a class meeting and stating the objectives of the meeting. The abovementioned number of shares held shall be calculated as of the date of requisitions in writing made by the shareholders. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting or class meeting within ten days of receiving the proposal.</p> <p>(2) If the Board of Directors agrees to convene the extraordinary general meeting or class meeting, a notice convening such a meeting shall be issued within five days after the resolution of the Board of Directors is passed. Any changes to the proposal in the notice shall be agreed by relevant shareholders.</p>	<p>Article 82 The shareholders shall provide a written proposal to the Board of Directors when they make a request to convene an extraordinary general meeting or class meeting and shall act in compliance with the following procedures:</p> <p>(1) Two or more Shareholders (including holders of preference shares with their voting rights restored) <u>individually or jointly</u> holding in aggregate ten percent or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions in writing requiring the Board of Directors to convene a shareholders' extraordinary general meeting or a class meeting and stating the objectives of the meeting. The abovementioned number of shares held shall be calculated as of the date of requisitions in writing made by the shareholders. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting or class meeting within ten days of receiving the proposal.</p> <p>(2) If the Board of Directors agrees to convene the extraordinary general meeting or class meeting, a notice convening such a meeting shall be issued within five days after the resolution of the Board of Directors is passed. Any changes to the proposal in the notice shall be agreed by relevant shareholders.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>(3) If the Board of Directors does not agree to convene the extraordinary general meeting or class meeting, or fails to give its response within ten days of receiving the proposal, the shareholders (including holders of preference shares with their voting rights restored) who individually or jointly hold ten percent or more of the shares carrying the right to vote shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting or class meeting and this proposal shall be made to the Board of Supervisors in writing.</p> <p>(4) If the Board of Supervisors agrees to convene an extraordinary general meeting or class meeting, a notice for convening such meetings shall be issued within five days of receiving the proposal. If the proposal contained in the original request is changed, approval of the related shareholders shall be sought.</p> <p>(5) If the Board of Supervisors fails to issue notice of the shareholders' general meeting or class meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting. Shareholders (including holders of preference shares with their voting rights restored) individually or jointly holding ten percent or more of the shares carrying the right to vote at the meeting to be held for ninety days or more consecutively may unilaterally convene and preside over such meeting.</p>	<p>(3) If the Board of Directors does not agree to convene the extraordinary general meeting or class meeting, or fails to give its response within ten days of receiving the proposal, the shareholders (including holders of preference shares with their voting rights restored) who individually or jointly hold ten percent or more of the shares carrying the right to vote shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting or class meeting and this proposal shall be made to the Board of Supervisors in writing.</p> <p>(4) If the Board of Supervisors agrees to convene an extraordinary general meeting or class meeting, a notice for convening such meetings shall be issued within five days of receiving the proposal. If the proposal contained in the original request is changed, approval of the related shareholders shall be sought.</p> <p>(5) If the Board of Supervisors fails to issue notice of the shareholders' general meeting or class meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting. Shareholders (including holders of preference shares with their voting rights restored) individually or jointly holding ten percent or more of the shares carrying the right to vote at the meeting to be held for ninety days or more consecutively may unilaterally convene and preside over such meeting.</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
11	<p>Article 98 If an individual shareholder attends the meeting in person, he/she shall produce his/her own identification document or other valid credentials or certificate providing proof of their identities and shareholding. If a proxy is appointed to attend the meeting, the proxy shall produce his/her own identification document, copy of shareholder's identity card, power of attorney and certificate providing proof of the shareholding of the appointing shareholder.</p> <p>A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by its legal representative. If a legal representative attends the meeting, he/she shall produce his/her own identification documents, valid identification documents showing that he/she qualifies to serve as a legal representative and certificate providing proof of the corporate shareholder's shareholding. If a proxy attends the meeting, he/she shall produce his/her own identification documents, power of attorney granted by the legal representative of the corporate shareholder and certificate providing proof of the corporate shareholder's shareholding.</p> <p>Shareholders, who are qualified clearing companies or their nominees, may authorize one or more persons as their proxies as they deem fit to attend any shareholders general meetings or any class meetings on their behalf. In the event that more than one person is authorized, the proxy form shall contain the number and class of shares in relation to the appointment of each of the proxy. The proxy form shall be signed by the proxy as authorized by the qualified clearing company. Proxies may attend the shareholders' meeting on behalf of the qualified clearing companies (or its nominees), without showing the share certificates, notarized letter of authorization and/or other authorization documents, exercise rights, and shall be deemed as the shareholder of the Bank.</p>	<p>Article 98 If an individual shareholder attends the meeting in person, he/she shall produce his/her own identification document or other valid credentials or certificate providing proof of their identities and shareholding. If a proxy is appointed to attend the meeting, the proxy shall produce his/her own identification document, copy of shareholder's identity card, power of attorney and certificate providing proof of the shareholding of the appointing shareholder.</p> <p>A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by its legal representative. If a legal representative attends the meeting, he/she shall produce his/her own identification documents, valid identification documents showing that he/she qualifies to serve as a legal representative and certificate providing proof of the corporate shareholder's shareholding. If a proxy attends the meeting, he/she shall produce his/her own identification documents, power of attorney granted by the legal representative of the corporate shareholder and certificate providing proof of the corporate shareholder's shareholding.</p> <p>Shareholders, who are qualified clearing companies or their nominees, may authorize one or more persons as their proxies as they deem fit or company's representatives to attend any shareholders general meetings or any class meetings or creditors meetings on their behalf. In the event that more than one person is authorized, the proxy form shall contain the number and class of shares in relation to the appointment of each of the proxy. The proxy form shall be signed by the proxy as authorized by the qualified clearing company. Proxies may attend the shareholders' meeting on behalf of the qualified clearing companies (or its nominees), without showing the share certificates, notarized letter of authorization and/or other authorization documents, speak and exercise rights, and shall be deemed as the shareholder of the Bank.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
12	<p>Article 100 The proxy form shall be deposited at the domicile of the Bank or such other place as specified in the notice of meeting at least twenty-four hours prior to the meeting at which the proxy is authorized to vote or twenty-four hours before the scheduled voting time. Where such a proxy form is signed by a person authorized by the principal, the letter of authorization authorizing signature or other authorization documents shall be notarized. The notarized letter of authorization or other authorization documents shall, together with the proxy form for the voting proxy, be deposited at the domicile of the Bank or such other place as specified in the notice of the meeting.</p> <p>Where the principal is a legal person, its legal representatives or a person authorized by its board of directors or other decision making body upon resolution shall attend the general meeting of the Bank.</p>	<p>Article 100 The proxy form shall be deposited at the domicile of the Bank or such other place as specified in the notice of meeting at least twenty-four hours prior to the meeting at which the proxy is authorized to vote or twenty-four hours before the scheduled voting time. Where such a proxy form is signed by a person authorized by the principal, the letter of authorization authorizing signature or other authorization documents shall be notarized. The notarized letter of authorization or other authorization documents shall, together with the proxy form for the voting proxy, be deposited at the domicile of the Bank or such other place as specified in the notice of the meeting.</p> <p>Where the principal is a legal person, its legal representatives or a person authorized by its board of directors or other decision making body upon resolution shall attend the general meeting of the Bank <u>(such legal entity shall be treated as being present in person if it has appointed a proxy to attend any meeting).</u></p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
13	<p>Article 115 The following matters shall be approved by ordinary resolutions at a general meeting:</p> <p>(1) the work reports of the Board of Directors and the Board of Supervisors;</p> <p>(2) the profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(3) election and replacement of members of the Board of Directors and the Board of Supervisors, the remunerations of the relevant directors and supervisors and the payment thereof;</p> <p>(4) the annual financial budgets, final accounts, balance sheet, profit report and other financial reports of the Bank;</p> <p>(5) the annual report of the Bank;</p> <p>(6) reviewing and approving the Rules of Procedures for the shareholders' general meeting, the Board of Directors and the Board of Supervisors;</p> <p>(7) resolving on the appointment, re-appointment or removal of accounting firm that conducts regular statutory audit of the Bank's financial reports;</p> <p>(8) matters other than those required by the laws, regulations and the Articles of Association to be approved by special resolutions.</p>	<p>Article 115 The following matters shall be approved by ordinary resolutions at a general meeting:</p> <p>(1) the work reports of the Board of Directors and the Board of Supervisors;</p> <p>(2) the profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(3) election and replacement of members of the Board of Directors and the Board of Supervisors, the remunerations of the relevant directors and supervisors and the payment thereof;</p> <p>(4) the annual financial budgets, final accounts, balance sheet, profit report and other financial reports of the Bank;</p> <p>(5) the annual report of the Bank;</p> <p>(6) reviewing and approving the Rules of Procedures for the shareholders' general meeting, the Board of Directors and the Board of Supervisors;</p> <p>(7) resolving on the appointment, re-appointment or removal of accounting firm that conducts regular statutory audit of the Bank's financial reports <u>and its remuneration;</u></p> <p>(8) matters other than those required by the laws, regulations and the Articles of Association to be approved by special resolutions.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
14	<p>Article 116 The following matters shall be approved by special resolutions at a general meeting:</p> <p>(1) increase or decrease of the registered capital of the Bank or issuance of securities, certificate of contribution (認股證) and other similar types of securities of the Bank;</p> <p>(2) issuance of bonds or securities of the Bank and the listing thereof;</p> <p>(3) merger, division, dissolution and liquidation of the Bank or change of the form of the Bank;</p> <p>(4) amendment to the Articles of Association;</p> <p>(5) dismissal of an independent director;</p> <p>(6) examine and approve the share incentive schemes;</p> <p>(7) making resolutions on the acquisition of the Bank's shares in accordance with the law;</p> <p>(8) any other matters as required by the laws, regulations, regulatory provisions, the Article of Association or determined by an ordinary resolution at a general meeting that may have material effect on the Bank and must be approved by special resolutions.</p>	<p>Article 116 The following matters shall be approved by special resolutions at a general meeting:</p> <p>(1) increase or decrease of the registered capital of the Bank or issuance of securities, certificate of contribution (認股證) and other similar types of securities of the Bank;</p> <p>(2) issuance of bonds or securities of the Bank and the listing thereof;</p> <p>(3) merger, division, dissolution and liquidation (including voluntary winding-up) of the Bank or change of the form of the Bank;</p> <p>(4) amendment to the Articles of Association;</p> <p>(5) dismissal of an independent director;</p> <p>(6) examine and approve the share incentive schemes;</p> <p>(7) making resolutions on the acquisition of the Bank's shares in accordance with the law;</p> <p>(8) any other matters as required by the laws, regulations, regulatory provisions, the Article of Association or determined by an ordinary resolution at a general meeting that may have material effect on the Bank and must be approved by special resolutions.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
15	<p>Article 136 To hold a class meeting, a written notice shall be given 45 days before the date of the meeting, so as to notify all the Shareholders of the relevant class listed on the register of the matters to be considered at the meeting and the meeting date and place. Shareholders who intend to attend the meeting shall serve on the Bank written replies of their intention to attend 20 days before the meeting.</p> <p>Where the number of voting shares represented by the Shareholders to attend the meeting is more than 1/2 of the total number of voting shares of the class, the Bank may convene a class meeting. If not, the Bank shall, within 5 days, notify the Shareholders again of the matters to be considered at the meeting, the date and place of the meeting in the form of a public announcement. After the notification via announcement, the Bank may convene the class meeting.</p>	<p>Article 136 To hold a class meeting, a written notice shall be given 45 days before the date of the meeting with reference to the notice period requirement for convening a shareholders' general meeting in these Articles, so as to notify all the Shareholders of the relevant class listed on the register of the matters to be considered at the meeting and the meeting date and place. Shareholders who intend to attend the meeting shall serve on the Bank written replies of their intention to attend 20 days before the meeting.</p> <p>Where the number of voting shares represented by the Shareholders to attend the meeting is more than 1/2 of the total number of voting shares of the class, the Bank may convene a class meeting. If not, the Bank shall, within 5 days, notify the Shareholders again of the matters to be considered at the meeting, the date and place of the meeting in the form of a public announcement. After the notification via announcement, the Bank may convene the class meeting.</p>	<p>Amendments have been made in accordance with the Decision of the State Council on Abolishing Some Administrative Regulations and Documents, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, Articles 20 and 22 of the Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies, Article 102 of the Company Law of the People's Republic of China (2018 Revision), and Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>
16	<p>Article 326 Any amendments to be made to the Articles of Association pursuant to a resolution of the shareholders' general meeting shall be subject to the approval of the banking regulatory authorities under the State Council. The amendments involving content of the Mandatory Provisions will only be effective upon approval of the department in charge of examination and approval and the securities regulatory department authorized by the State Council, while the amendment involving matters of company registration must be registered with the relevant authority in accordance with applicable laws.</p>	<p>Article 326 Any amendments to be made to the Articles of Association pursuant to a resolution of the shareholders' general meeting shall be subject to the approval of the banking regulatory authorities under the State Council. The amendments involving content of the Mandatory Provisions will only be effective upon approval of the department in charge of examination and approval and the securities regulatory department authorize d by the State Council, while the amendment involving matters of company registration must be registered with the relevant authority in accordance with applicable laws.</p>	<p>Amendments have been made in accordance with Article 34 and Article 35 of the Trial Measures for the Administration of Domestic Enterprises' Overseas Issuance of Securities and Listing and Article 162 of the Circular of the Securities Commission of the State Council and the State Economic System Reform Commission on the Implementation of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
1	<p>Article 1 To ensure that shareholders exercise their rights in accordance with the law, ensure the efficient and standardized operation of shareholders' general meeting, and improve the bank's governance structure, Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter referred to as "the Bank") formulated these rules, in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Commercial Banking Law of the People's Republic of China (hereinafter referred to as the "Commercial Banking Law"), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas ("Mandatory Provisions"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, (hereinafter referred to as "Hong Kong Listing Rules"), the Corporate Governance Guidelines for Banking and Insurance Institutions, the Guiding Opinions of the State Council on the Pilot Implementation of Preferred Shares, the Administrative Measures for the Pilot Projects of Preferred Shares, Relevant laws, Administrative Regulations and Rules About the Guiding Opinions on Commercial Banks Offering Preferred Shares to Replenish Tier 1 Capital, the Provisions of the Securities Regulatory Authority at the Place where the Bank's Securities are Listed, and the Articles of Association of Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter referred to as the "Articles of Association"), combined with the actual situation of the Bank.</p>	<p>Article 1 To ensure that shareholders exercise their rights in accordance with the law, ensure the efficient and standardized operation of shareholders' general meeting, and improve the bank's governance structure, Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter referred to as "the Bank") formulated these rules, in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Commercial Banking Law of the People's Republic of China (hereinafter referred to as the "Commercial Banking Law"), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas ("Mandatory Provisions"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, (hereinafter referred to as "Hong Kong Listing Rules"), the Corporate Governance Guidelines for Banking and Insurance Institutions, the Guiding Opinions of the State Council on the Pilot Implementation of Preferred Shares, the Administrative Measures for the Pilot Projects of Preferred Shares, Relevant laws, Administrative Regulations and Rules About the Guiding Opinions on Commercial Banks Offering Preferred Shares to Replenish Tier 1 Capital (2019 Revision), the Provisions of the Securities Regulatory Authority at the Place where the Bank's Securities are Listed, and the Articles of Association of Guangzhou Rural Commercial Bank Co., Ltd. (hereinafter referred to as the "Articles of Association"), combined with the actual situation of the Bank.</p>	<ol style="list-style-type: none"> 1. Amendments have been made in accordance with the Decision of the State Council on Abolishing Some Administrative Regulations and Documents, Articles 34 and 35 of the Trial Measures for the Administration of Domestic Enterprises' Overseas Issuance of Securities and Listing, and the Guiding Opinions on Commercial Banks Offering Preferred Shares to Replenish Tier 1 Capital jointly issued by the China Banking Regulatory Commission and the China Securities Regulatory Commission (2019 Revision) of the China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission and other relevant provisions. 2. Standardised the use of punctuation.

No.	Original Articles	Amended Articles	Basis of Amendment
2	<p>Article 7 The shareholders' general meeting is the authoritative body of the Bank and exercises the following functions and powers in accordance with law:</p> <p>(I) to decide on business policies and investment plans of the Bank;</p> <p>(II) to elect and replace non- employee directors and supervisors and decide the remuneration of relevant directors and supervisors;</p> <p>(III) to examine and approve reports prepared by the Board of Directors;</p> <p>(IV) to examine and approve reports prepared by the Board of Supervisors;</p> <p>(V) to examine and approve annual budgets, final accounts, balance sheet, profit report and other financial reports;</p> <p>(VI) to examine and approve profit distribution plans and plans for making up for losses of the Bank;</p> <p>(VII) to adopt resolutions concerning the increase and reduction of the registered capital of the Bank;</p>	<p>Article 7 The shareholders' general meeting is the authoritative body of the Bank and exercises the following functions and powers in accordance with law:</p> <p>(I) to decide on business policies and investment plans of the Bank;</p> <p>(II) to elect and replace non- employee directors and supervisors and decide the remuneration of relevant directors and supervisors;</p> <p>(III) to examine and approve reports prepared by the Board of Directors;</p> <p>(IV) to examine and approve reports prepared by the Board of Supervisors;</p> <p>(V) to examine and approve annual budgets, final accounts, balance sheet, profit report and other financial reports;</p> <p>(VI) to examine and approve profit distribution plans and plans for making up for losses of the Bank;</p> <p>(VII) to adopt resolutions concerning the increase and reduction of the registered capital of the Bank;</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>(VIII) to adopt resolutions on the issuance of bonds and other securities of the Bank and the listing thereof;</p> <p>(IX) to adopt resolutions on the merger, division, dissolution, liquidation and change of the form of the Bank;</p> <p>(X) to amend the Articles of Association;</p> <p>(XI) to resolve the appointment, reappointment or removal of accounting firm that conducts regular audit of the Bank's financial reports;</p> <p>(XII) to review the single purchase or disposal of material assets (including but not limited to equity interest, fixed assets and other assets) or provision of any guarantee(s) in an amount exceeding ten percent of the latest audited net assets;</p> <p>(XIII) to examine and approve any proposals submitted by any shareholder who individually or jointly hold more than three percent of the total voting rights shares of the Bank (including holders of preference shares with their voting rights restored);</p>	<p>(VIII) to adopt resolutions on the issuance of bonds and other securities of the Bank and the listing thereof;</p> <p>(IX) to adopt resolutions on the merger, division, dissolution, liquidation <u>(including voluntary winding-up)</u> and change of the form of the Bank;</p> <p>(X) to amend the Articles of Association;</p> <p>(XI) to resolve the appointment, reappointment or removal of accounting firm that conducts regular audit of the Bank's financial reports <u>and its remuneration;</u></p> <p>(XII) to review the single purchase or disposal of material assets (including but not limited to equity interest, fixed assets and other assets) or provision of any guarantee(s) in an amount exceeding ten percent of the latest audited net assets;</p> <p>(XIII) to examine and approve any proposals submitted by any shareholder who individually or jointly hold more than three percent of the total voting rights shares of the Bank (including holders of preference shares with their voting rights restored);</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>(XIV) to decide on the issuance of preference shares; to decide or authorize the Board of Directors to decide any matters in relation to the preference shares issued by the Bank, including but not limited to redemption, conversion and payment of dividends; and</p> <p>(XV) to consider and approve the Rules of Procedures for Shareholders' General Meetings, the Board of Directors and the Board of Supervisors;</p> <p>(XVI) to consider and approve equity incentive schemes;</p> <p>(XVII) to resolve the acquisition of the Bank's shares in accordance with laws and regulations;</p> <p>(XVIII) to examine and approve any other matters required by the laws, administrative and regulations, regulatory requirements or the Articles of Association to be approved by a general meeting.</p> <p>The power of the shareholders' general meeting shall not be delegated to the Board of Directors, other institutions or individuals as stipulated in the Company Law and Article 18 of the Corporate Governance Guidelines for Banking and Insurance Institutions.</p>	<p>(XIV) to decide on the issuance of preference shares; to decide or authorize the Board of Directors to decide any matters in relation to the preference shares issued by the Bank, including but not limited to redemption, conversion and payment of dividends; and</p> <p>(XV) to consider and approve the Rules of Procedures for Shareholders' General Meetings, the Board of Directors and the Board of Supervisors;</p> <p>(XVI) to consider and approve equity incentive schemes;</p> <p>(XVII) to resolve the acquisition of the Bank's shares in accordance with laws and regulations;</p> <p>(XVIII) to examine and approve any other matters required by the laws, administrative and regulations, regulatory requirements or the Articles of Association to be approved by a general meeting.</p> <p>The power of the shareholders' general meeting shall not be delegated to the Board of Directors, other institutions or individuals as stipulated in the Company Law and Article 18 of the Corporate Governance Guidelines for Banking and Insurance Institutions.</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
3	<p>Article 14 The shareholders make a request to convene an extraordinary general meeting or class meeting and shall act in compliance with the following procedures:</p> <p>Two or more shareholders (including holders of preference shares with their voting rights restored) with in aggregate ten percent or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions in writing requiring the Board of Directors to convene a shareholders' extraordinary general meeting or a class meeting and stating the objectives of the meeting. The abovementioned number of shares held shall be calculated as of the date of requisitions in writing made by the shareholders. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten days of receiving the proposal.</p> <p>If the Board of Directors agrees to convene the extraordinary general meeting or class meeting, a notice convening such a meeting shall be issued within five days after the resolution of the Board of Directors is passed. Any changes to the proposal in the notice shall be agreed by relevant shareholders.</p>	<p>Article 14 The shareholders make a request to convene an extraordinary general meeting or class meeting and shall act in compliance with the following procedures:</p> <p>Two or more Shareholders (including holders of preference shares with their voting rights restored) with in aggregate ten percent or more, <u>individually or jointly</u>, of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions in writing requiring the Board of Directors to convene a shareholders' extraordinary general meeting or a class meeting and stating the objectives of the meeting. The abovementioned number of shares held shall be calculated as of the date of requisitions in writing made by the shareholders. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten days of receiving the proposal.</p> <p>If the Board of Directors agrees to convene the extraordinary general meeting or class meeting, a notice convening such a meeting shall be issued within five days after the resolution of the Board of Directors is passed. Any changes to the proposal in the notice shall be agreed by relevant shareholders.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>If the Board of Directors does not agree to convene the extraordinary general meeting or class meeting, or fails to give its response within ten days of receiving the proposal, the shareholders (including holders of preference shares with their voting rights restored) who individually or jointly hold ten percent or more of the shares carrying the right to vote shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting or class meeting and this proposal shall be made to the Board of Supervisors in writing.</p> <p>If the Board of Supervisors agrees to convene an extraordinary general meeting or class meeting, a notice for convening such meetings shall be issued within five days of receiving the proposal. If the proposal contained in the original request is changed, approval of the related shareholders shall be sought.</p> <p>If the Board of Supervisors fails to issue notice of the shareholders' general meeting or class meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting. Shareholders (including holders of preference shares with their voting rights restored) individually or jointly holding in aggregate ten percent or more of the shares carrying the right to vote of the Bank for ninety days or more consecutively may unilaterally convene and preside over such meeting.</p>	<p>If the Board of Directors does not agree to convene the extraordinary general meeting or class meeting, or fails to give its response within ten days of receiving the proposal, the shareholders (including holders of preference shares with their voting rights restored) who individually or jointly hold ten percent or more of the shares carrying the right to vote shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting or class meeting and this proposal shall be made to the Board of Supervisors in writing.</p> <p>If the Board of Supervisors agrees to convene an extraordinary general meeting or class meeting, a notice for convening such meetings shall be issued within five days of receiving the proposal. If the proposal contained in the original request is changed, approval of the related shareholders shall be sought.</p> <p>If the Board of Supervisors fails to issue notice of the shareholders' general meeting or class meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the extraordinary general meeting. Shareholders (including holders of preference shares with their voting rights restored) individually or jointly holding in aggregate ten percent or more of the shares carrying the right to vote of the Bank for ninety days or more consecutively may unilaterally convene and preside over such meeting.</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
4	<p>Article 31 If an individual shareholder attends the meeting in person, he/she shall produce his/her own identification document or other valid credentials or certificate providing proof of their identities and shareholding. If a proxy is appointed to attend the meeting, the proxy shall produce his/her own identification document, copy of shareholder's identity card, power of attorney and certificate providing proof of the shareholding of the appointing shareholder.</p> <p>A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by its legal representative. If a legal representative attends the meeting, he/she shall produce his/her own identification documents, valid identification documents showing that he/she qualifies to serve as a legal representative and certificate providing proof of the corporate shareholder's shareholding. If a proxy attends the meeting, he/she shall produce his/her own identification documents, power of attorney granted by the legal representative of the corporate shareholder and certificate providing proof of the corporate shareholder's shareholding.</p>	<p>Article 31 If an individual shareholder attends the meeting in person, he/she shall produce his/her own identification document or other valid credentials or certificate providing proof of their identities and shareholding. If a proxy is appointed to attend the meeting, the proxy shall produce his/her own identification document, copy of shareholder's identity card, power of attorney and certificate providing proof of the shareholding of the appointing shareholder.</p> <p>A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by its legal representative. If a legal representative attends the meeting, he/she shall produce his/her own identification documents, valid identification documents showing that he/she qualifies to serve as a legal representative and certificate providing proof of the corporate shareholder's shareholding. If a proxy attends the meeting, he/she shall produce his/her own identification documents, power of attorney granted by the legal representative of the corporate shareholder and certificate providing proof of the corporate shareholder's shareholding.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
	<p>Shareholders, who are qualified clearing companies or their nominees, may authorize one or more persons as their proxies as they deem fit to attend any shareholder's general meetings or any class meetings on their behalf. In the event that more than one person is authorized, the proxy form shall contain the number and class of shares in relation to the appointment of each of the proxy. The proxy form shall be signed by the proxy as authorized by the qualified clearing company. Proxies may attend the shareholders' meeting on behalf of the qualified clearing companies (or its nominees), without showing the share certificates, notarized letter of authorization and/or other authorization documents and shall be deemed as the shareholder of the Bank.</p>	<p>Shareholders, who are qualified clearing companies or their nominees, may authorize one or more persons as their proxies as they deem fit or company's representatives to attend any shareholder's general meetings or any class meetings or creditors meetings on their behalf. In the event that more than one person is authorized, the proxy form shall contain the number and class of shares in relation to the appointment of each of the proxy. The proxy form shall be signed by the proxy as authorized by the qualified clearing company. Proxies may attend the shareholders' meeting on behalf of the qualified clearing companies (or its nominees), without showing the share certificates, notarized letter of authorization and/or other authorization documents, speak and exercise rights, and shall be deemed as the shareholder of the Bank.</p>	

No.	Original Articles	Amended Articles	Basis of Amendment
5	<p>Article 34 The proxy form shall be deposited at the domicile of the Bank or such other place as specified in the notice of meeting at least twenty-four hours prior to the meeting at which the proxy is authorized to vote or twenty-four hours before the scheduled voting time. Where such a proxy form is signed by a person authorized by the principal, the letter of authorization authorizing signature or other authorization documents shall be notarized. The notarized letter of authorization or other authorization documents shall, together with the proxy form for the voting proxy, be deposited at the domicile of the Bank or such other place as specified in the notice of the meeting.</p> <p>Where the principal is a legal person, its legal representatives or a person authorized by its board of directors or other decision making body upon resolution shall attend the general meeting of the Bank.</p>	<p>Article 34 The proxy form shall be deposited at the domicile of the Bank or such other place as specified in the notice of meeting at least twenty-four hours prior to the meeting at which the proxy is authorized to vote or twenty-four hours before the scheduled voting time. Where such a proxy form is signed by a person authorized by the principal, the letter of authorization authorizing signature or other authorization documents shall be notarized. The notarized letter of authorization or other authorization documents shall, together with the proxy form for the voting proxy, be deposited at the domicile of the Bank or such other place as specified in the notice of the meeting.</p> <p>Where the principal is a legal person, its legal representatives or a person authorized by its board of directors or other decision making body upon resolution shall attend the general meeting of the Bank <u>(such legal entity shall be treated as being present in person if it has appointed a proxy to attend any meeting).</u></p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
6	<p>Article 45 The following matters shall be approved by ordinary resolutions at a general meeting:</p> <p>(I) the work reports of the Board of Directors and the Board of Supervisors;</p> <p>(II) the profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(III) election and replacement of members of the Board of Directors and the Board of Supervisors, the remunerations of the relevant directors and supervisors and the payment thereof;</p> <p>(IV) the annual financial budgets, final accounts, balance sheet, profit report and other financial reports of the Bank;</p> <p>(V) the annual report of the Bank;</p> <p>(VI) the consideration and approval of rules of procedure of general meeting, the Board of Directors and the Board of Supervisors;</p> <p>(VII) making resolutions on the appointment, reappointment or removal of the accounting firm that conducts regular statutory audits on the Bank's financial reports;</p> <p>(VIII) matters other than those required by the laws, regulations or the Articles of Association to be approved by special resolutions.</p>	<p>Article 45 The following matters shall be approved by ordinary resolutions at a general meeting:</p> <p>(I) the work reports of the Board of Directors and the Board of Supervisors;</p> <p>(II) the profit distribution plans and loss recovery plans prepared by the Board of Directors;</p> <p>(III) election and replacement of members of the Board of Directors and the Board of Supervisors, the remunerations of the relevant directors and supervisors and the payment thereof;</p> <p>(IV) the annual financial budgets, final accounts, balance sheet, profit report and other financial reports of the Bank;</p> <p>(V) the annual report of the Bank;</p> <p>(VI) the consideration and approval of rules of procedure of general meeting, the Board of Directors and the Board of Supervisors;</p> <p>(VII) making resolutions on the appointment, reappointment or removal of the accounting firm that conducts regular statutory audits on the Bank's financial reports <u>and its remuneration;</u></p> <p>(VIII) matters other than those required by the laws, regulations or the Articles of Association to be approved by special resolutions.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
7	<p>Article 46 The following matters shall be approved by a special resolution at a Shareholders' general meeting:</p> <p>(I) an increase or reduction in the registered capital and the issuance of any class of shares, warrants and other similar securities of the Bank issuance of bonds or securities of the Bank and the listing thereof;</p> <p>(II) issuance of bonds or securities of the Bank and the listing thereof;</p> <p>(III) merger, division, dissolution and liquidation of the Bank or change of the form of the Bank;</p> <p>(IV) amendment to the Articles of Association;</p> <p>(V) dismissal of independent directors;</p> <p>(VI) consideration and approval of the equity incentive schemes;</p> <p>(VII) resolution on the acquisition of shares of the Company in accordance with laws;</p> <p>(VIII) any other matters as required by the laws, regulations, regulatory requirements or the Article of Association and or determined by an ordinary resolution at a general meeting that may have material effect on the Bank and must be approved by special resolutions.</p>	<p>Article 46 The following matters shall be approved by a special resolution at a Shareholders' general meeting:</p> <p>(I) an increase or reduction in the registered capital and the issuance of any class of shares, warrants and other similar securities of the Bank issuance of bonds or securities of the Bank and the listing thereof;</p> <p>(II) issuance of bonds or securities of the Bank and the listing thereof;</p> <p>(III) merger, division, dissolution and liquidation <u>(including voluntary winding-up)</u> of the Bank or change of the form of the Bank;</p> <p>(IV) amendment to the Articles of Association;</p> <p>(V) dismissal of independent directors;</p> <p>(VI) consideration and approval of the equity incentive schemes;</p> <p>(VII) resolution on the acquisition of shares of the Company in accordance with laws;</p> <p>(VIII) any other matters as required by the laws, regulations, regulatory requirements or the Article of Association and or determined by an ordinary resolution at a general meeting that may have material effect on the Bank and must be approved by special resolutions.</p>	<p>Amendments have been made in accordance with Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>

No.	Original Articles	Amended Articles	Basis of Amendment
8	<p>Article 72 When convening a class meeting, the Bank shall give written notice to all shareholders whose names appear in the register of shareholders of such class forty-five days prior to the convening of the meeting to inform them of the matters proposed to be considered and the date and venue of the meeting. Any shareholders intending to attend shall deliver to the Bank a written reply indicating his intention to attend such meeting 20 days before the meeting.</p> <p>If the number of voting rights shares represented by the shareholders who intend to attend the meeting reaches more than 1/2 of the Bank's total number of shares of that class at the meeting, the Bank may hold the class meeting; if not, the Bank shall again notify the shareholders within five days by announcement of the matters to be transacted at and the date and venue for, the meeting. After making the related announcement, the class meeting may be held.</p>	<p>Article 72 When convening a class meeting, the Bank shall give written notice to all shareholders whose names appear in the register of shareholders of such class <u>with reference to the notice period requirement for convening a shareholders' general meeting in these Articles</u> forty-five days prior to the convening of the meeting to inform them of the matters proposed to be considered and the date and venue of the meeting. Any shareholders intending to attend shall deliver to the Bank a written reply indicating his intention to attend such meeting 20 days before the meeting.</p> <p>If the number of voting rights shares represented by the shareholders who intend to attend the meeting reaches more than 1/2 of the Bank's total number of shares of that class at the meeting, the Bank may hold the class meeting; if not, the Bank shall again notify the shareholders within five days by announcement of the matters to be transacted at and the date and venue for, the meeting. After making the related announcement, the class meeting may be held.</p>	<p>Amendments have been made in accordance with the Decision of the State Council on Abolishing Some Administrative Regulations and Documents, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, Articles 20 and 22 of the Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies, Article 102 of the Company Law of the People's Republic of China (2018 Revision), and Appendix III to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant provisions.</p>