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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in 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)  
(Stock code: 1551)

## PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR, PROPOSED CHANGE OF AUDITORS, MAJOR TRANSACTION AND THE PROPOSED MANDATE, PROPOSED MERGERS BY ABSORPTION OF DONGGUAN HUANGJIANG ZHUJIANG RURAL BANK AND ZHONGSHAN DONGFENG ZHUJIANG RURAL BANK, AND NOTICE OF 2024 FIRST EGM

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The Letter from the Board is set out on pages 3 to 18 of this circular.

Guangzhou Rural Commercial Bank Co., Ltd.\* (the "Bank") will convene the EGM at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 9:30 a.m. on Friday, December 13, 2024. (The notice of EGM is set out on pages 28 to 30 of this circular.)

Whether or not you intend to attend and/or vote at the EGM, you are requested to complete and return the proxy form 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 EGM or any adjournment thereof (as the case may be) to the H Share Registrar.

Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

This circular is prepared in both Chinese and English languages. If there is any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

\* *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,*

November 28, 2024

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## DEFINITIONS

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

“Articles of Association”	the Articles of Association of Guangzhou Rural Commercial Bank Co., Ltd. (as amended, supplemented or otherwise revised from time to time)
“Asset Transfer Agreement(s)”	the asset transfer agreement(s) proposed to be entered into between the Bank and the final transferee(s) in relation to the Major Transaction for the disposal of the Transferred Assets at one time or in batches
“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 Directors” or “Board”	the board of directors of the Bank
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration to be paid by the potential transferee(s) to the Bank in relation to the Major Transaction
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	the ordinary shares with a nominal value of RMB1.00 each issued by the Bank in the PRC
“EGM”	the 2024 first extraordinary general meeting or any adjournment thereof to be held by the Bank on December 13, 2024
“Group”	the Bank and its subsidiaries
“H Shares”	the foreign shares issued by the Bank which are registered in Mainland China and listed in Hong Kong
“HK\$”, “HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Initial Estimated Consideration”	details of the definition of Initial Estimated Consideration are set out in the description under the heading “Consideration and Payment” in this circular
“Latest Practicable Date”	November 25, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Major Transaction” or “Transaction”	related transactions contemplated under the Bank’s transfer of the Transferred Assets
“Mandate Validity Period”	12 months from the date of approval of the Major Transaction and the Proposed Mandate by the EGM
“Ministry of Finance”	the Ministry of Finance of the People’s Republic of China
“PRC” or “China”	the People’s Republic of China
“Proposed Mandate”	a general mandate proposed to be granted to the Board (or its delegates) by the Shareholders at the EGM to proceed with and complete the Major Transaction, with a validity period of 12 months from the date of approval by the EGM
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the Domestic Share(s) and H Share(s)
“Supervisor(s)”	the supervisor(s) of the Bank
“Transferred Assets”	the assets to be sold by the Bank in batches under the Asset Transfer Agreement (details are set out in the description under the heading “Transferred Assets” in the letter from the Board in this circular), namely certain credit assets and other assets held by the Bank
“%”	percent

\* *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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## LETTER FROM THE BOARD

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

### 廣州農村商業銀行股份有限公司\*

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

**(Stock code: 1551)**

*Executive Directors:*

Mr. Cai Jian

Ms. Deng Xiaoyun

*Non-executive Directors:*

Mr. Ni Kai

Mr. Wang Xiaobin

Mr. Zuo Liang

Mr. Zhang Yan

Ms. Xing Qiuyu

Mr. Hu Geyou

Mr. Feng Yaoliang

*Registered office in the PRC:*

No. 9, Yingri Road

Huangpu District

Guangzhou

the PRC

*Principal place of business*

*in Hong Kong:*

40/F, Dah Sing Financial Center

No. 248 Queen's Road East

Wanchai

Hong Kong

*Independent Non-executive Directors:*

Mr. Liao Wenyi

Mr. Du Jinmin

Mr. Zheng Guojian

Mr. Zhang Hua

Mr. Ma Hok Ming

Guangzhou, the PRC, November 28, 2024

Dear Sir or Madam,

**PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND  
INDEPENDENT NON-EXECUTIVE DIRECTOR, PROPOSED CHANGE  
OF AUDITORS, MAJOR TRANSACTION AND THE PROPOSED  
MANDATE, PROPOSED MERGERS BY ABSORPTION OF  
DONGGUAN HUANGJIANG ZHUJIANG RURAL BANK AND  
ZHONGSHAN DONGFENG ZHUJIANG RURAL BANK,  
AND  
NOTICE OF 2024 FIRST EGM**

#### **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 EGM.

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## LETTER FROM THE BOARD

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### II. ELECTION OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

Reference is made to the announcement dated November 22, 2024 of the Bank in relation to the proposed appointment of non-executive director and independent non-executive director. On November 22, 2024, the Board considered and approved the proposals on the proposed appointments of Ms. Huang Hongyan (“**Ms. Huang**”) and Mr. Zhu Guilong (“**Mr. Zhu**”) as candidates for a non-executive director and an independent non-executive director of the fourth session of the Board, respectively. Upon the approval of their appointment by the EGM of the Bank, their terms of office shall take effect from the date of the approval of their qualification of appointment by the Guangdong Bureau of National Financial Regulatory Administration until the expiry of the term of the fourth session of the Board, and they shall be eligible for re-election upon the expiry of their terms of office.

Biographical details of Ms. Huang and Mr. Zhu are as follows:

Ms. Huang Hongyan, born in August 1980, graduated from the Hong Kong University of Science and Technology with a master’s degree in business administration. She currently serves as the executive vice president and president of asset management business of Partners Capital Group Limited (博大資本金融集團有限公司), as well as the general manager and head of the compliance and risk control department of Shanghai Sunshine Partners Equity Investment Management Co., Ltd. (上海陽光博大股權投資管理有限公司). She previously served as the project accountant of Guangdong Huanan New City Real Estate Limited (廣東華南新城房地產有限公司), deputy general manager of the financial management center in Tianjin, deputy general manager of the financial management center in Beijing and deputy director of the group financial management center of Hopson Development Holdings (合生創展集團), group financial advisor, group chief financial officer and general manager of financing of Partners Capital Group Limited (博大資本金融集團有限公司), and general manager, general manager and head of the finance department and investment department of Shanghai Sunshine Partners Equity Investment Management Co., Ltd (上海陽光博大股權投資管理有限公司).

Mr. Zhu Guilong, born in November 1964, a member of the Communist Party of China and a postgraduate, graduated from Sun Yat-Sen University with a doctorate degree in management. He is an expert enjoying the special allowance from the State Council and an outstanding social scientist in Guangdong Province. He is currently a second-level professor and doctoral supervisor of the School of Business Administration of South China University of Technology, the vice chairman of China High-tech Industry Promotion Society (中國高技術產業發展促進會), executive director of Chinese Association of Science and S&T Policy Research (中國科學與科技政策研究會), director of the Industry-University-Research Cooperation Professional Committee (產學研合作專業委員會), deputy director of Technology Management Professional Committee of Chinese Society of Technology Economics (中國技術經濟學會技術管理專業委員會), and an independent director of Guangzhou Port Company Limited (廣州港股份有限公司), Guangdong Xianle Health Co., Ltd. (廣東仙樂健康股份有限公司) and Bank of Guangzhou Co., Ltd (廣州銀行股份有限公司). He previously served as a staff of Lujiang Alum Mine (廬江礬礦) in Anhui Province, an assistant researcher, associate researcher and researcher of the Forecast and Development Institute of Hefei University of Technology (合肥工業大學預測與發展研究所), a professor, deputy dean and dean of the School of Business Administration of

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## LETTER FROM THE BOARD

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South China University of Technology (華南理工大學工商管理學院), vice chairman of the 8th and 9th Councils of Systems Engineering Society of China (中國系統工程學會), a member of the Steering Committee of Innovation and Entrepreneurship Education of the Ministry of Education (教育部創新創業教育指導委員會), an independent director of Guangzhou KingMed Diagnostics Group Co., Ltd. (廣州金域醫學檢驗集團股份有限公司), CSG Holding Co., Ltd. (中國南玻集團股份有限公司), GRG Banking Equipment Co., Ltd. (廣州廣電運通金融電子股份有限公司), Jiangxi Jovo Energy Company Limited (江西九豐能源股份有限公司) and Zhongke Richland Asset Management Co., Ltd. (中科沃土基金管理有限公司), and a director of Guangdong Yiji Network Co., Ltd. (廣東易積網絡股份有限公司).

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 professional qualification, or any other position with the Bank or its subsidiaries. Save as disclosed above, the above candidates for Directors have not had any other relationship with any other Directors, Supervisors, senior management or substantial Shareholders, nor do they have any interests in Shares of the Bank within the meaning of Part XV of the SFO. Save as disclosed above, the above candidates for Directors have not been punished and 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 is there any other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Zhu further confirmed that (i) he meets each of the relevant independent criteria as set out in Rule 3.13 (1) to (8) of the Listing Rules; (ii) he has no past or present financial or other interests in the business of the Bank or its subsidiaries, and does not have any connection with any of the Bank's core connected persons (as defined under the Listing Rules); and (iii) there are no other factors that may affect his independence at the time of his nomination. The Board also considers that he meets the independence guideline under Rule 3.13 of the Listing Rules and is independent under the terms of the guideline.

If appointed, the Bank will enter into service contracts with them. During the term of office, they 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》) approved by the annual general meeting in 2014, which mainly consists of basic remuneration and allowances. The annual basic remuneration is relatively fixed and the allowances are determined based on factors such as the meeting attendance and the service time in the Bank. The Bank will disclose the remuneration or allowance of Directors in the annual report every year.

The proposals have been considered and approved by the Board meeting and are hereby proposed to the EGM for consideration and approval by way of ordinary resolutions.

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## LETTER FROM THE BOARD

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### III. CHANGE OF AUDITORS

References are made to the resolution considered and approved by the Shareholders at the annual general meeting held on June 13, 2024 regarding the re-appointment of PricewaterhouseCoopers Zhongtian LLP and PricewaterhouseCoopers (Special General Partnership) (collectively as “PwC”) as the domestic and international auditors of the Bank’s financial statements for the year of 2024, respectively.

Reference is made to the announcement dated November 22, 2024 of the Bank in relation to the proposed change of auditors. In light of market information, based on the principle of prudence and taking into account the Bank’s business needs and demand for audit services, the Board proposes to change from PwC to the consortium of Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the domestic and international auditors of the Bank’s financial statements for the year ending December 31, 2024. Meanwhile, the Board proposes at the EGM to be authorized and the Board will delegate the authority to senior management to deal with relevant matters (including but not limited to signing of corresponding documents) and to determine the fees for their services for a period of employment until the end of the Bank’s 2024 annual general meeting.

The Bank has communicated with PwC in respect of the change of auditors and has been informed that they have no other matters that need to be brought to the attention of the Shareholders in respect of the change of auditors. The Board has also confirmed that there was no disagreement between PwC and the Bank and there was no other matter that needs to be brought to the attention of the Shareholders.

The proposal has been considered and approved by the Audit Committee of the Board and the Board meeting on November 22, 2024 and is hereby proposed to the EGM for consideration and approval by way of an ordinary resolution.

### IV. MAJOR TRANSACTION AND THE PROPOSED MANDATE

#### 1. Major Transaction

On November 13, 2024, the Board of Directors approved the Transaction, pursuant to which the Bank conditionally agreed to transfer of the Transferred Assets, and at the same time, the Board of Directors proposed to seek Shareholders’ approval of the Proposed Mandate at the EGM and for the Board of Directors to further delegate to other relevant persons, jointly or severally, full powers to deal with matters in relation to the Transaction in order to enable the Board of Directors and the authorized persons to transfer the Transferred Assets during the Mandate Validity Period. The details of the Transaction and the Proposed Mandate are subject to the approval at the EGM.

According to the requirements of the Listing Rules and the provisions of the Articles of Association, the Transaction shall be approved by the general meeting. The Transaction shall be conducted in accordance with the principles of fairness, openness and competitive selection. The Asset Transfer Agreement can only be entered into after the completion of the related



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## LETTER FROM THE BOARD

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transfer process and the final determination of the transferee of the Transferred Assets. In order to safeguard the feasibility of the Transaction, the Board hereby seeks the prior approval of the Major Transaction and the Proposed Mandate by the EGM, pursuant to which the Board will be authorized to take necessary actions to conduct the Transaction within the scope of the Proposed Mandate approved by the Shareholders, including but not limited to selecting a qualified purchaser through the transfer such as tendering or bidding, signing specific asset transfer agreements and other relevant legal documents. The Transaction under the Proposed Mandate is subject to relevant applicable laws and regulations, including any applicable transaction regulations in Hong Kong.

Upon approval of the Major Transaction and the Proposed Mandate by the EGM, the Bank expects to complete the transaction at one time or in batches within the Mandate Validity Period, and the specific date of each transfer transaction will be determined by the Bank at its discretion having regard to the actual situation of the preparation work for the transfer of assets in each batch. The Bank will make further announcement(s) in accordance with Rule 14.36 of the Listing Rules as and when appropriate in relation to the subsequent progress of the Major Transaction and the Proposed Mandate.

### **2. Proposed Mandate**

As there are uncertainties as to the time required for the preparation of asset transfer and the conditions of implementation, in order to facilitate the orderly completion of the transfer of the assets involved in the Major Transaction, and on the basis of the principle that it will be fully conducive to further optimizing the asset structure of the Bank and consolidating its asset quality, and the principle that the interests of the Bank and the Shareholders are protected to the maximum possible extent, the Bank proposes to seek the grant of the Proposed Mandate by the EGM for the completion of the asset transfer within the Mandate Validity Period.

The Board of Directors proposes to the EGM to authorize the Board of Directors and agree that the Board of Directors shall further delegate other relevant persons to deal with, individually or jointly, in their absolute discretion, all matters relating to the Major Transaction under the framework and principles of fairness, openness, justice, competitive selection, legal compliance and being in the interests of the Bank and Shareholders as a whole, as considered and approved by the EGM. The scope of the Proposed Mandate mainly includes:

- (i) formulating the asset transfer plan based on the actual situation of the Bank and the requirements of the regulatory authorities and making appropriate adjustments according to specific circumstances, including but not limited to, determining specific assets to be transferred, the timing of the disposal, the transfer method and pathway, transfer price, transfer benchmark date, and the final purchasers;
- (ii) organizing the implementation of the asset transfer plan, including but not limited to selecting qualified purchasers, communicating and reporting to relevant authorities in industry regulation, state-owned assets supervision, market regulation, and taxation, handling information disclosure and asset transfer and delivery;

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## LETTER FROM THE BOARD

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- (iii) organizing the drafting, signing, submission, modification, approval, and execution of documents and agreements related to the Transaction; and
- (iv) handling all other matters relating to the Major Transaction other than matters expressly provided for in the relevant laws and regulations, and the Articles of Association, or subject to re-voting at a general meeting based on the opinion of the relevant competent authorities. Such authorization shall be valid for 12 months from the date of approval by the EGM (i.e. the Mandate Validity Period).

The Directors are of the view that the prior approval from the Shareholders is in the interests of the Bank and the Shareholders as a whole. First, the Directors consider that the prior submission of the Major Transaction and the Proposed Mandate for approval by the EGM will ensure the Transaction complies with the Articles of Association and internal management authorities, while also respect and protect the rights and interests of Shareholders. Second, the prior submission of the Major Transaction and the Proposed Mandate for approval by the EGM will assist the Shareholders to have a thorough and advanced understanding of the Transaction with a better supervision of the Transaction, allow for greater flexibility and efficiency for transaction and ensure the smooth implementation and the timely completion of the Transaction.

### **3. Transferred Assets**

The Transferred Assets are the legally owned debt assets of the Bank, including the principal, the corresponding interest and the judicial fees disbursed. The rights, interests, and obligations related to the Transferred Assets, the right to request, demand, obtain, and accept receivables arising therefrom, the total amount of any debt repayment, and the rights and powers related to the execution and realization of the value of the Transferred Assets shall be transferred from the Bank to the purchasers. As of September 30, 2024, the principal amount of the Transferred Assets amounted to approximately RMB11.861 billion. Their interest amount in aggregate amounted to approximately RMB2.672 billion (subject to the signing of specific transfer agreements) while their judicial fees disbursed in aggregate amounted to approximately RMB59 million, and their debt amount in aggregate amounted to approximately RMB14.592 billion. As of September 30, 2024, taking into account the provision for asset impairment, the book value of the Transferred Assets was approximately RMB10.340 billion. The net profit (before tax) of the Transferred Assets for the financial year ended December 31, 2022 was RMB124 million and the net loss (before tax) of the Transferred Assets for the financial year ended December 31, 2023 was RMB626 million. The net profit (after tax) for the financial year ended December 31, 2022 was RMB93 million and the net loss (after tax) for the financial year ended December 31, 2023 was RMB469 million.

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

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

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## LETTER FROM THE BOARD

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As of September 30, 2024, the Transferred Assets include the principal of loans and advances to customers of RMB11.861 billion, representing approximately 100%. The details of the Transferred Assets are set out below:

### *Classification by industry*

As of 30 September 2024, the details of Transferred Assets classified by industry are as follows:

	<i>Unit: RMB'0,000</i>	
<b>Industry</b>	<b>Principal balance</b>	<b>Percentage %</b>
Real estate	1,146,644	96.67%
Wholesale and retail	39,454	3.33%
<b>Total</b>	<b>1,186,098</b>	<b>100%</b>

### *Classification by Overdue status*

As of 30 September 2024, the details of overdue status of the Transferred Assets are as follows:

	<i>Unit: RMB'0,000</i>	
<b>Overdue of principal and interest</b>	<b>Principal balance</b>	<b>Percentage %</b>
Not overdue	753,143	63.5%
Not more than 1 year (inclusive) overdue	290,595	24.5%
1 to 3 (inclusive) years overdue	142,360	12%
More than 3 years overdue	0	0
<b>Total</b>	<b>1,186,098</b>	<b>100%</b>

### *Classification by guarantee type*

As of 30 September 2024, the details of guarantee type of the Transferred Assets are as follows:

	<i>Unit: RMB'0,000</i>	
<b>Guarantee type</b>	<b>Principal balance</b>	<b>Percentage %</b>
Credit loans	39,454	3.33%
Collateralized and/or pledged loans	1,146,644	96.67%
<b>Total</b>	<b>1,186,098</b>	<b>100%</b>

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## LETTER FROM THE BOARD

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### *Classification by asset risk*

As of 30 September 2024, the risk classification of the Transferred Assets is as follows:

*Unit: RMB'0,000*

<b>Risk classification</b>	<b>Principal balance</b>	<b>Percentage %</b>
Normal	0	0%
Concern	802,018	67.61%
Subordinate	241,720	20.38%
Doubtful	64,379	5.43%
Loss	77,981	6.58%
<b>Total</b>	<b>1,186,098</b>	<b>100%</b>

#### **4. Consideration and Payment**

The final consideration for the Transferred Assets will depend on the final transaction price. After the purchasers are determined, the final consideration will be determined after arm's length negotiations between the Bank and the purchasers with reference to factors including but not limited to due diligence work conducted in respect of the Transferred Assets by the Bank and the purchasers. The total Initial Estimated Consideration for the Transferred Assets is expected to be approximately RMB10 billion.

The basis for determining the Consideration of the Transaction shall be determined between the Bank and the purchasers with reference to the following factors:

- (1) the unaudited book value of the Transferred Assets for the nine months ended September 30, 2024 is approximately RMB10.340 billion, which is calculated by the sum of the balance of the debt principal amount of the Transferred Assets and on-balance-sheet interest balance of the Transferred Assets less the provision for impairment of the Transferred Assets;
- (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. The Transaction enables the Bank to quickly recover the relevant capital and utilize it to invest in other potential high-quality assets or participate in other investment activities to optimize the asset structure and achieve better returns. Therefore, through the Transaction, the liquidity of the Bank will be improved, while further reducing the loss of assets and improving the risk resistance of the Bank;
- (3) prevailing market discount ratio of the Transferred Assets which is determined by taking into account the cash flow of the debtor and the guarantor, 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.

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## LETTER FROM THE BOARD

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According to market practices and making reference to data on consideration and book value of comparable transactions conducted by other listed banks in the industry, under the model of bulk asset transfer, after considering their capital occupancy, financing costs and other costs, the consideration acceptable to asset management companies for relevant bulk transfer is generally lower than the book value of the assets intended for bulk transfer. The Consideration of the Transaction is expected to be lower than the book value of the Transferred Assets of approximately RMB340 million and shall not, in any event and having taken into account the costs involved in the Transaction, deviate by 5% or more of the Initial Estimated Consideration;

- (4) the overall financial impact of the Transaction on the Bank. Although it is expected that the Consideration will be closer to the book value of the Transferred Assets based on the method of asset recovery on an individual basis, after overall consideration of factors such as due diligence, estimated recovery time, anticipated compensation value, disposal costs, and market conditions, the overall impact of the bulk transfer of the Transferred Assets on the financial condition of the Bank is within a reasonable and acceptable range; and
- (5) in order to quickly recover funds for investing in other potential higher-quality assets or participate in other investment activities and optimize the asset structure, the Bank believes that it is a reasonable arrangement to dispose of the Transferred Assets through bulk transfers to qualified asset management companies.

The Bank considers that the Initial Estimated Consideration for the Transferred Assets and the manner in which it is determined are fair and reasonable, and are in the interests of the Bank and its Shareholders as a whole.

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 case that the Transaction becomes a very substantial disposal, the Bank will comply with relevant requirements under Chapter 14 of the Listing Rules.

The Consideration for the Transferred Assets will be paid in cash at one time or in batches by the final transferee to the designated account of the Bank, within the time limit agreed in the Asset Transfer Agreement, in accordance with the Asset Transfer Agreement to be entered into. The Bank has not yet determined the detailed terms of the Asset Transfer Agreement including the payment conditions and timetable. The Bank is prepared to accept payment by instalments, which is subject to the actual agreed terms under the Asset Transfer Agreement to be entered into after the purchasers have been identified. Upon the completion of the Transaction, the Bank will publish further announcement to disclose the payment terms, information about the purchasers and their ultimate beneficial owners in accordance with the Listing Rules.

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## LETTER FROM THE BOARD

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The current arrangements in relation to the payment and the terms thereof are consistent with the comparable transactions involving bulk asset transfer by listed banks. Therefore, the Directors are of the view that the payment terms will be on normal commercial terms and fair and reasonable.

The Bank agrees to sell and the final transferee agrees to purchase all rights, interests and benefits under the Transferred Assets from the benchmark date of the actual transfer, including but not limited to:

- (1) all repayments, due or to become due, attributable to each individual asset under the Transferred Assets;
- (2) the rights to demand, claim for, recover, and receive all payable amounts relating to each individual asset under the Transferred Assets (regardless of whether they are payable by the obligor); and
- (3) all rights and legal remedies for giving effect to and the implementation of each individual asset under the Transferred Assets, including but not limited to litigation costs, preservation fees, attorney fees and other expenses paid by the seller.

### 5. Conditions Precedent

The conditions precedent of the Transaction include: (i) the approval of the Transaction and the transactions contemplated thereunder and the Proposed Mandate by the Shareholders at the EGM; (ii) the signature (or stamping of signatory's stamp) by the legal representative, responsible person or authorized person of the Bank and the potential purchasers or the stamping of seal; (iii) the approval of the agreement(s) of the Transaction and the transactions contemplated thereunder by the potential purchasers; and (iv) 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.

### 6. Compliance with Laws and Regulations

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 may bulk transfer non-performing assets of certain size to asset management companies. Pursuant to the Administrative Measures for the Bulk Transfer of Non-performing Assets of Financial Enterprises (Cai Jin [2012] No. 6) (《金融企業不良資產批量轉讓管理辦法》(財金[2012]6號)), the purchasers of bulk asset transfer shall be asset management companies. Pursuant to the Notice on Regulating the Asset Transfer of State-owned Financial Institutions published by the Ministry of Finance (Cai Jin [2021] No. 102) (《財政部關於規範國有金融機構資產轉讓有關事項的通知》(財金[2021]102號)), state-owned financial institutions shall, in principle, conduct asset transfers through open transactions methods such as market transactions, public auctions, online auctions, and competitive negotiations. For transfer of assets under specific industries to state-owned and

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## LETTER FROM THE BOARD

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state-controlled enterprises and other circumstances recognized by the financial department at the same level, state-owned financial institutions can conduct transactions through direct agreement transfer after being reviewed and decided by state-owned financial institutions according to the authorization mechanism. The Bank confirms that the Transferred Assets in the Transaction are located in the PRC; the transaction documents and the Transferred Assets will be governed by PRC laws and regulations; and the purchaser of the Transaction will be qualified asset management companies.

The Bank, as the seller, will invite qualified purchasers to participate in the Transaction by way of publication of an announcement on the Bank's website in relation to the Transaction ("**Transaction Approach**"). The Bank will also go through internal selection procedures, including but not limited to conducting due diligence on potential purchasers' qualification, backgrounds, fund resources and assets under management in order to determine qualified asset management companies as the purchasers. In order to comply with the above regulatory requirements and shorten the time for obtaining internal approval of the Bank, the Board recommends seeking the Shareholders' approval for the Proposed Mandate, pursuant to which, the Board will be authorized to take necessary actions within the scope of Proposed Mandate approved by the Shareholders to carry out the Transaction, including but not limited to selecting qualified purchasers by way of auction, public bidding and other approaches, signing specific transfer agreements and other relevant legal documents.

The Bank confirms that the Transaction Approach does not violate the aforementioned PRC laws or regulations.

### **7. Completion**

Completion shall take place on the date which all the conditions to the Asset Transfer Agreement and the relevant specific Asset Transfer Agreement have been fulfilled or waived or such other date as the parties may agree in writing.

### **8. Financial Effect of the Transaction on the Bank**

According to the relevant requirements of the International Financial Reporting Standards, the Consideration of the Transaction will inflow in cash, and the deposit of the Bank at central bank will increase. 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. The Initial Estimated Consideration receivable by the Bank is expected to be approximately RMB10 billion under the Transaction, and the loss before tax from the Transaction is expected to be approximately RMB340 million. The actual amount will be reflected in the financial statements in the results announcement of the Bank for the corresponding accounting period. The above-mentioned estimation may be different from the actual financial effect of the Transaction.



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### 9. Use of Proceeds

The proceeds from the Transaction, which are estimated to be approximately RMB10 billion, and are intended to be used for the general working capital of the Bank. The transfer of the Transferred Assets of the Bank will effectively reduce the non-performing loan ratio and provision amount and improve the efficiency level. The Bank will use the proceeds based on its actual business needs.

### 10. Reasons for and Benefits of the Transaction

The bulk transfer method is a common means for banks to swiftly transfer assets, which features rapid execution and standardized processes. 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 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 special mention, substandard, 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. The Transaction will effectively enhance the 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.

Therefore, the Directors (including the independent non-executive Directors) believe that the Transaction is 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.

### 11. Information on the Parties

#### *(1) Information relating to the Bank*

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

#### *(2) Information relating to the Purchaser*

As of the Latest Practicable Date, the purchaser has not yet been determined. The purchaser will be determined 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 once the purchaser is determined. In the case that the purchaser and/or its ultimate beneficial owner is a connected person of the Bank, the Bank will also comply with all the applicable requirements under Chapter 14A of the Listing Rules and PRC laws and regulations before entering into any Asset Transfer Agreement with connected person(s).



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### 12. 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. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as of the Latest Practicable Date, none of the existing Shareholders has any material interest in the Transaction and the Proposed Mandate, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM to approve the Transaction and the Proposed Mandate.

**The terms related to the Transaction have yet to be finalized and therefore may be subject to further change. Completion of the potential Major Transaction is subject to Shareholders' approval and the completion of the transaction procedures. The Major Transaction may or may not proceed. Therefore, Shareholders and potential investors are advised to exercise caution when dealing in the Bank's securities. The Bank will make further announcement(s) in compliance with the Listing Rules as and when appropriate or required.**

### V. MERGERS BY ABSORPTION OF DONGGUAN HUANGJIANG ZHUJIANG RURAL BANK AND ZHONGSHAN DONGFENG ZHUJIANG RURAL BANK

In order to implement the requirements under the document of the State Council of the PRC to steadily promote the structural reorganization of county banks in accordance with the principles of marketization and the rule of law, optimize the Group's strategic layout and consolidate its operating resources, the Bank intends to merge by absorbing the two subsidiaries of the Bank, i.e. Dongguan Huangjiang Zhujiang Rural Bank Co., Ltd. (東莞黃江珠江村鎮銀行股份有限公司) ("**Huangjiang Rural Bank**") and Zhongshan Dongfeng Zhujiang Rural Bank Co., Ltd. (中山東鳳珠江村鎮銀行股份有限公司) ("**Dongfeng Rural Bank**"), and to convert Huangjiang Rural Bank and Dongfeng Rural Bank into branches of the Bank ("**Merger(s) by Absorption**"). In accordance with relevant laws and regulations of the state and regulatory requirements, the Bank has formulated the Implementation Plan for the Merger by Absorption of Dongguan Huangjiang Zhujiang Rural Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd. and the Implementation Plan for the Merger by Absorption of Zhongshan Dongfeng Zhujiang Rural Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd., and details are as follows:

#### 1. Specific Implementation Methods of the Mergers by Absorption

The Bank will merge by absorbing Huangjiang Rural Bank and Dongfeng Rural Bank by acquiring the shares held by other shareholders of Huangjiang Rural Bank and Dongfeng Rural Bank by way of monetary payment. The price of the share transfer will be determined with reference to the results of the liquidation of Huangjiang Rural Bank and Dongfeng Rural Bank

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respectively conducted by the intermediary institutions and the appraised equity value per share. The relevant share transfer agreements will be entered into between the Bank and the other shareholders of Huangjiang Rural Bank and Dongfeng Rural Bank, respectively. On this basis, the Bank will apply to the regulatory authorities for the Mergers by Absorption, execute the transfer of share and the Mergers by Absorption after obtaining the approval of the regulatory authorities, and apply to or report to the regulatory authorities for the establishment of branches. Huangjiang Rural Bank and Dongfeng Rural Bank will apply to the regulatory authorities for the dissolution and deregistration of their legal personality.

The Bank will fulfill the mergers by absorption procedures in accordance with relevant national laws, regulations, and regulatory provisions, and properly arrange for the employees of the absorbed entities. Upon completion of the Mergers by Absorption of Huangjiang Rural Bank and Dongfeng Rural Bank, all rights, qualifications and administrative licenses of the Bank will not be affected, and all businesses, properties, debts and liabilities as well as other rights and obligations of Huangjiang Rural Bank and Dongfeng Rural Bank will be inherited by the Bank in accordance with the laws. All rights and obligations attached to the assets of Huangjiang Rural Bank and Dongfeng Rural Bank will also be enjoyed and assumed by the Bank.

### **2. Authorization**

In order to ensure the smooth and efficient implementation of the Mergers by Absorption, upon proposing at the EGM of the Bank for consideration and granting authority to the Board, the Board will delegate authority to the senior management, under the framework and principles considered and approved at the EGM, to organize and implement the specific matters in relation to the Mergers by Absorption of Huangjiang Rural Bank and Dongfeng Rural Bank and their conversion into branches of the Bank, including but not limited to revising, organizing and implementing the implementation plans for the Mergers by Absorption, formulating the Mergers by Absorption agreements, formulating the merger announcements, formulating the plans for the resettlement of employees of the rural banks, legacy businesses disposal and risk control; adjusting the asset valuation benchmark date in connection with the Mergers by Absorption, confirming the asset appraisal report from the intermediary institutions, considering and implementing the matters relating to the dissolution and liquidation of Huangjiang Rural Bank and Dongfeng Rural Bank and carrying out other work related to the Mergers by Absorption.

The authorization and the sub-authorization are valid for the period from the date of approval at the EGM to the date of completion or termination of Mergers by Absorption and the establishment of branches, and the deregistration of Huangjiang Rural Bank and Dongfeng Rural Bank.

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### **VI. OTHERS**

For further information on the other resolutions to be proposed at the EGM, please refer to the 2024 interim report published by the Bank.

### **VII. THE EGM**

The Bank will convene the 2024 first EGM at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 9:30 a.m. on Friday, December 13, 2024.

Whether or not you intend to attend and/or vote at the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon.

Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

### **VIII. METHODS OF VOTING AT THE EGM**

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

Please be advised that pursuant to the Articles of Association of the Bank, 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.

### **IX. CLOSURE OF THE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE EGM**

Holders of H Shares of the Bank are advised that the register of members of the Bank will be closed from Tuesday, December 10, 2024 to Friday, December 13, 2024 (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 EGM, 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 Monday, December 9, 2024.

Shareholders whose names appear on the register of members of the Bank at the close of business on Monday, December 9, 2024 are entitled to attend and vote at the EGM.

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## LETTER FROM THE BOARD

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### X. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the ordinary resolutions and the special resolutions to be proposed at the EGM 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 EGM.

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.*

**1. FINANCIAL INFORMATION OF THE GROUP**

Details of the financial information of the Group for the six months ended 30 June 2024 are disclosed in the 2024 interim report published on the website of Hong Kong Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700983.pdf>) and the website of the Bank (<https://eng.grcbank.com/engrcbank/attachDir/2024/09/2024092716575367068.pdf>).

Details of the financial information of the Group for the year ended 31 December 2023 are disclosed in the 2023 annual report published on the website of Hong Kong Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043002562.pdf>) and the website of the Bank (<https://eng.grcbank.com/engrcbank/attachDir/2024/04/2024043019534128110.pdf>).

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/attachDir/2022/04/2022042122512350427.pdf>).

**2. INDEBTEDNESS STATEMENT**

As of 30 September 2024, the Group's indebtedness is as follows:

- (1) certificates of interbank deposit in an aggregate principal amount of RMB124,036 million;
- (2) tier-two capital debts in an aggregate principal amount of RMB15,000 million;
- (3) other debt securities in an aggregate principal amount of RMB3,000 million;
- (4) 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;

- (5) 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
- (6) lease liabilities in an amount of RMB684 million.

As of 30 September 2024, the liabilities involving guarantees or collateral of the Group are mainly the sales of repurchased 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 30 September 2024, 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 30 September 2024.

### 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 the Bank. As a 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 (%)

	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023	As of 30 June 2024
Core tier-one capital adequacy ratio	9.68	9.21	9.83	9.47

	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023	As of 30 June 2024
Tier-one capital adequacy ratio	11.06	10.56	11.12	10.96
Capital adequacy ratio	13.09	12.59	13.67	13.64

**(2) Liquidity ratio (%)**

	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023	As of 30 June 2024
Liquidity ratio	93.15	101.76	102.51	94.99

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

In 2024, which is a year of striving to improve efficiency and increase profits, the Group, based on the phased requirements of the development strategy and planning, deeply understands the political and people-oriented nature of financial work, fully implements the decisions and arrangements of the Central Economic Work Conference and the Central Financial Work Conference, and makes scientific adjustments to our development strategy and business objectives based on our predictions of the domestic and international macroeconomic situation. The Group adheres to our development orientation, focuses on supporting agriculture and small businesses, and continues to implement the “Profitability Improvement Year” activity, promotes the construction of our core competitive advantages, and optimizes our asset structure, strengthens risk control, deepens comprehensive marketing, and improves profitability. The Group injects financial “vitality” into the high-quality development of the Guangdong Province and Guangzhou City.

Looking ahead, the Group will adhere to the strategic vision of becoming a first-class commercial bank in China, adhere to our development orientation, and follow the overall thinking of “expanding the market, reducing risks, improving management, and increasing efficiency.” The Group will make comprehensive efforts in our four major characteristic businesses, optimize our business structure, and achieve comprehensive management. The Group will focus on promoting the expansion of small and micro-asset businesses, continue to deepen management reform and innovation, strengthen our internal control foundation, and build a strong marketing base. The Group will also focus on promoting digital transformation, optimizing our institutional processes, enhancing risk control capabilities, and building collaborative mechanisms to consolidate our customer base, accelerate structural optimization, steadily increase our scale, and achieve healthy growth in profitability.

## 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

### (1) 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 <sup>(1)</sup>	Domestic shares	Long	100,010,000	0.694%	0.852%
Liao Wenyi	Director	Beneficial owner	Domestic shares	Long	1,103,000	0.008%	0.009%
Zeng Weixue	Employee Supervisor	Beneficial owner	Domestic shares	Long	152,224	0.001%	0.001%

- (1) These shares were held by Guangzhou Huaxin Group Co., Ltd., which was owned as to 99.54% by Mr. Feng Yaoliang. Therefore, by virtue of the SFO, Mr. 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..



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 C3 to the Listing Rules.

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

As at the Latest Practicable Date, based on the knowledge of the Directors or chief executives of the Bank, the following persons (other than the Directors, chief executives and Supervisors of the Bank) had, or were deemed to have interests or short positions in the shares and underlying shares of the Bank which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO with details as follows:

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 Finance Holdings Group Co., Ltd. <sup>(1)</sup>	Beneficial owner	Domestic shares	Long	1,194,271,140	8.29%	10.18%
Guangzhou Guangyong State-owned Assets Management Co., Ltd. <sup>(1)</sup>	Beneficial owner	Domestic shares	Long	18,304,522	0.13%	0.16%
Guangzhou Finance Holdings Group Co., Ltd. <sup>(1)</sup>	Interest of a controlled corporation	Domestic shares	Long	1,212,575,662	8.41%	10.33%
Guangzhou Metro Group Co., Ltd.	Beneficial owner	Domestic shares	Long	722,950,000	5.02%	6.16%
Guangzhou City Renewal Group Co., Ltd. <sup>(2)</sup>	Beneficial owner	Domestic shares	Long	696,288,999	4.83%	5.93%
Guangzhou Pearl River Enterprises Group Co., Ltd. <sup>(2)</sup>	Interest of a controlled corporation	Domestic shares	Long	696,288,999	4.83%	5.93%
Guangzhou Digital Technology Group Co., Ltd.	Beneficial owner	Domestic shares	Long	606,266,479	4.21%	5.17%

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 Industrial Investment Holding Group Co., Ltd. <sup>(3)</sup>	Beneficial owner	Domestic shares	Long	351,944,322	2.44%	3.00%
Guangzhou Vanlead Group Co., Ltd. <sup>(3)</sup>	Beneficial owner	Domestic shares	Long	319,880,672	2.22%	2.73%
Guangzhou Gongkong Capital Management Co., Ltd. <sup>(3)</sup>	Beneficial owner	Domestic shares	Long	45,312,844	0.31%	0.39%
Guangzhou Industrial Investment Holding Group Co., Ltd. <sup>(3)</sup>	Interest of a controlled corporation	Domestic shares	Long	717,137,838	4.98%	6.11%
Lead Straight Limited <sup>(4)</sup>	Beneficial owner	H Shares	Long	195,229,000	1.35%	7.30%
Kwong Pak International Trading (Hong Kong) Limited (廣百國際貿易(香港)有限公司) <sup>(4)</sup>	Interest of a controlled corporation	H Shares	Long	195,229,000	1.35%	7.30%
Guangzhou Lingnan Business Travel Investment Group Co., Ltd. <sup>(4)</sup>	Interest of a controlled corporation	H Shares	Long	195,229,000	1.35%	7.30%
Guangzhou City Construction Investment Development Company Limited <sup>(5)</sup>	Beneficial owner	H Shares	Long	551,900,000	3.83%	20.63%
Guangzhou City Construction Investment Group Co., Ltd. <sup>(5)</sup>	Interest of a controlled corporation	H Shares	Long	561,249,000	3.89%	20.98%
Aeon Life Insurance Company Limited	Beneficial owner	H Shares	Long	295,229,000	2.05%	11.04%
Guangzhou Honghui Investment Co., Ltd. (廣州市鴻匯投資有限公司) <sup>(6)</sup>	Beneficial owner	H Shares	Long	200,991,000	1.39%	7.51%
Zeng Weipeng <sup>(6)</sup>	Interest of a controlled corporation	H Shares	Long	114,558,840	0.80%	4.28%
Manureen Investment Limited (美林投資有限公司) <sup>(7)</sup>	Beneficial owner	H Shares	Long	221,424,797	1.54%	8.28%
Lin Xiaohui <sup>(7)</sup>	Interest of a controlled corporation	H Shares	Long	221,424,797	1.54%	8.28%
Su Jiaohua <sup>(7)</sup>	Interest of spouse	H Shares	Long	221,424,797	1.54%	8.28%

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
Harvest Fund Management Co., Ltd. <sup>(8)</sup>	Beneficial owner	H Shares	Long	187,000,000	1.30%	6.99%
China Credit Trust Co., Ltd. <sup>(8)</sup>	Interest of a controlled corporation	H Shares	Long	187,000,000	1.30%	6.99%

- (1) Guangzhou Guangyong State-owned Assets Management Co., Ltd. (廣州市廣永國有資產經營有限公司) is wholly owned by Guangzhou Finance Holdings Group Co., Ltd. (廣州金融控股集團有限公司). Therefore, Guangzhou Finance Holdings Group Co., Ltd. together with the shares directly held by itself are deemed to be interested in the 1,212,575,662 Domestic Shares by virtue of the SFO.
- (2) Guangzhou City Renewal Group Co., Ltd. (廣州城市更新集團有限公司) is wholly owned by Guangzhou Pearl River Enterprises Group Co., Ltd. (廣州珠江實業集團有限公司). Therefore, Guangzhou Pearl River Enterprises Group Co., Ltd. is deemed to be interested in the 696,288,999 Domestic Shares by virtue of the SFO.
- (3) Guangzhou Vanlead Group Co., Ltd. (廣州萬力集團有限公司) is wholly owned by Guangzhou Industrial Investment Holding Group Co., Ltd. (廣州工業投資控股集團有限公司) and Guangzhou Gongkong Capital Management Co., Ltd. (廣州工控資本管理有限公司) is owned as to 84.75% by Guangzhou Industrial Investment Holding Group Co., Ltd. Therefore, Guangzhou Industrial Investment Holding Group Co., Ltd. together with the shares directly held by itself are deemed to be interested in the 717,137,838 Domestic Shares by virtue of the SFO.
- (4) Guangzhou Lingnan International Enterprise Group Co., Ltd. (廣州嶺南國際企業集團有限公司) and Kwong Pak International Trading (Hong Kong) Limited (廣百國際貿易(香港)有限公司) are wholly owned by Guangzhou Lingnan Business Travel Investment Group Co., Ltd. (廣州嶺南商旅投資集團有限公司), and Lead Straight Limited (威卓有限公司) is wholly owned by Kwong Pak International Trading (Hong Kong) Limited. Therefore, Guangzhou Lingnan Business Travel Investment Group Co., Ltd. together with the shares held by itself are deemed to be interested in the 195,229,000 H Shares by virtue of the SFO.
- (5) The 561,249,000 H Shares comprised 551,900,000 H 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 H 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 H Shares by virtue of the SFO.
- (6) Guangzhou Hong He Investment Co., Ltd. is owned as to 90% by Zeng Weipeng, and Guangzhou HongHui Investment Co., Ltd. (廣州市鴻匯投資有限公司) is owned as to 63.33% by Guangzhou Hong He Investment Co., Ltd. Therefore, Zeng Weipeng is deemed to be interested in the 200,991,000 H Shares by virtue of the SFO.
- (7) Manureen Investment Limited (美林投資有限公司) is owned as to 70% by Lin Xiaohui. Therefore, Lin Xiaohui is deemed to be interested in the 221,424,797 H 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 H Shares by virtue of the SFO.
- (8) 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 H Shares by virtue of the SFO.

Save as disclosed above, the Bank is not aware of any other person (other than the Directors, chief executives and Supervisors of the Bank) having any interests or short positions in the shares or underlying shares of the Bank as at Latest Practicable Date 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 Latest Practicable 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 Latest Practicable 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 2023 (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 close 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 prior to the date of this circular and up to the Latest Practicable Date.

### **8. MATERIAL LEGAL LITIGATION**

As at the Latest Practicable Date, no member of the Group was involved in any litigation or arbitration of material importance to the Group, and there was no litigation or claim of material importance to the Group pending or threatened by or against any member of the Group.

**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 2023, which contain the audited consolidated financial statements of the Bank for those three years.
- (b) this circular.

**10. GENERAL INFORMATION**

- (1) As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated statements of the Group were made up.
- (2) The address of the registered office of the Bank is No. 9, Yingri Road, Huangpu District, Guangzhou, the PRC.
- (3) 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.
- (4) Dr. Ngai Wai Fung served as the company secretary 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.

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## NOTICE OF 2024 FIRST EGM

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

### **廣州農村商業銀行股份有限公司\***

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

**(Stock code: 1551)**

## NOTICE OF 2024 FIRST EGM

**NOTICE IS HEREBY GIVEN** that the 2024 first extraordinary general meeting (the “**EGM**”) of Guangzhou Rural Commercial Bank Co., Ltd.\* (the “**Bank**”) will be held at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 9:30 a.m. on Friday, December 13, 2024, to consider, and if thought fit, pass the following resolutions:

### **ORDINARY RESOLUTIONS**

1. To consider and approve the proposal of electing directors of the fourth session of the Board:
  - 1.1 To consider and approve the proposal of electing Ms. Huang Hongyan as non-executive Director of the fourth session of the Board;
  - 1.2 To consider and approve the proposal of electing Mr. Zhu Guilong as independent non-executive Director of the fourth session of the Board;
2. To consider and approve the proposal of change of external auditors for 2024 financial report;
3. To consider and approve the proposal of asset transfer in 2024;

### **SPECIAL RESOLUTIONS**

4. To consider and approve the proposal of the merger by absorption of Dongguan Huangjiang Zhujiang Rural Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.;

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## NOTICE OF 2024 FIRST EGM

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5. To consider and approve the proposal of the Implementation Plan for Merger by Absorption of Dongguan Huangjiang Zhujiang Rural Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.;
6. To consider and approve the proposal of the merger by absorption of Zhongshan Dongfeng Zhujiang Rural Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.;
7. To consider and approve the proposal of the Implementation Plan for Merger by Absorption of Zhongshan Dongfeng Zhujiang Rural Bank Co., Ltd. by Guangzhou Rural Commercial Bank Co., Ltd.

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

Guangzhou, the PRC  
November 28, 2024

*As at the date of this announcement, the Board comprises two executive directors, namely Mr. Cai Jian and Ms. Deng Xiaoyun; seven non-executive directors, namely Mr. Ni Kai, Mr. Wang Xiaobin, Mr. Zuo Liang, Mr. Zhang Yan, Ms. Xing Qiuyu, Mr. Hu Geyou and Mr. Feng Yaoliang; and five independent non-executive directors, namely Mr. Liao Wenyi, Mr. Du Jinmin, Mr. Zheng Guojian, Mr. Zhang Hua and Mr. Ma Hok Ming.*

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

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## NOTICE OF 2024 FIRST EGM

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*Notes:*

1. Pursuant to the Listing Rules, all resolutions proposed at the EGM will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman decides to permit the vote by a show of hands). The voting results will be published on both the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Bank ([www.grcbank.com](http://www.grcbank.com)) in accordance with the Listing Rules.
2. **CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING AND VOTING AT THE EGM**

Holders of H Shares of the Bank are advised that the register of members of the Bank will be closed from Tuesday, December 10, 2024 to Friday, December 13, 2024 (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 EGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the 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 Monday, December 9, 2024.

Shareholders whose names appear on the register of members of the Bank at the close of business on Monday, December 9, 2024 are entitled to attend and vote at the EGM.

3. **PROXY**

Every Shareholder who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether or not they are members of the Bank, to attend and vote on his/her behalf at the EGM.

A proxy must be appointed by an instrument in writing. Such instrument must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a legal person, then the instrument must be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy must be deposited at the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares not less than 24 hours before the time specified for the holding of the EGM or any adjournment thereof (as the case may be).

If the instrument appointing the proxy is signed by a person authorized by the appointer, the power of attorney or other documents of authority under which the instrument is signed must be notarized.

The notarized power of attorney or other documents of authority must be deposited together and at the same time with the instrument appointing the proxy at the Bank's H Share Registrar.

4. **OTHER BUSINESSES**

(i) The EGM is expected to last for no more than half a working day. Shareholders and their proxies attending the EGM shall be responsible for their own traveling and accommodation expenses.

(ii) The address of Computershare Hong Kong Investor Services Limited:

Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong  
(For lodging share transfer documents)

17M Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong  
(For deposit of proxy form)

Tel: +852 2862 8555

Fax: +852 2865 0990