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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 CHANGE OF AUDITOR**

Reference is made to the resolution regarding the re-appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the domestic and international auditors of the Bank for the year ended December 31, 2018, respectively approved by the shareholders (the “**Shareholders**”) of Guangzhou Rural Commercial Bank Co., Ltd.\* (the “**Bank**”) at the annual general meeting of the Bank on May 31, 2018.

Pursuant to the relevant requirements of the Ministry of Finance of the People's Republic of China, if an external auditor continuously undertakes financial auditing work for a financial enterprise for a period exceeding the prescribed time limit, such enterprise should consider changing the external auditor. As Ernst & Young Hua Ming LLP has served as the domestic auditor of the Bank consecutively for years, its term is close to the time limit stated above. On August 20, 2018, the Bank received the proposal from Guangzhou Financial Holdings Group Co., Ltd. (a shareholder holding approximately 3.73% of the issued share capital of the Bank) (the “**Shareholder Proposal**”). In view of the abovementioned requirements and the Bank's A Share Offering plan as disclosed in the announcement of the Bank dated July 20, 2018, since the A Share Offering work generally takes a relatively long time, based on the above requirements, the change of auditor may need to take place during the filing period of the A Share Offering, which in turn affects the A Share Offering progress. Accordingly, it is proposed that a resolution regarding the change of auditor be proposed for the shareholder's consideration at the 2018 first extraordinary general meeting of the Bank to be held on Thursday, September 6, 2018 (the “**EGM**”) to approve the change of the domestic and international auditors of the Bank for the audit of the financial statements for the year ending December 31, 2018 from Ernst & Young Hua Ming LLP and Ernst & Young to PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, respectively. The board of directors of the Bank (the “**Board**”) has accepted the Shareholder Proposal and the implementation of which is subject to the approval of the Shareholders of the Bank at the EGM. The supplemental notice of EGM, together with the new proxy forms, will be despatched to the Shareholders on August 22, 2018.

Ernst & Young has confirmed to the Bank that there are no matters that need to be brought to the attention of the Shareholders as regards to the proposed change of auditors, and that they do not have any disagreement or unresolved matter with the Bank.

Ernst & Young will continue their review of interim financial statements for the six-month period ended June 30, 2018 until the publication of the interim results of the Bank which is expected to be by end of August 2018.

The Board is not aware of any matters in respect of the proposed change of auditors that are required to be brought to the attention of the Shareholders, and would like to take this opportunity to express its sincerest gratitude to Ernst & Young Hua Ming LLP and Ernst & Young for their professional services provided to the Bank in the past years.

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

Guangzhou, the PRC, August 22, 2018

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

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