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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in **Yangzhou Guangling District Taihe Rural Micro-finance Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed stockbroker or registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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# TaiHe

## **YANGZHOU GUANGLING DISTRICT TAIHE RURAL MICRO-FINANCE COMPANY LIMITED**

**揚州市廣陵區泰和農村小額貸款股份有限公司**

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

**(Stock Code: 8252)**

**2016 Report of the Board  
2016 Report of the Board of Supervisors  
2016 Audited Financial Statements,  
Auditor's Report and Appropriation to  
General Reserves and Surplus Reserves  
Re-Appointment of Auditor  
And  
Notice of 2016 Annual General Meeting**

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The 2016 annual general meeting of the Company (“AGM”) will be held at 10 a.m. on Friday, 30 June 2017 at 2/F, No. 1 Hongqi Avenue, Jiangwang Town, Hanjiang District, Yangzhou City, Jiangsu Province, PRC. Notice convening the AGM, as set out on pages 17 to 19 of this circular, has been sent to you on 16 May 2017.

Proxy form to be used by Shareholders on the AGM have been sent to you on 16 May 2017. Whether or not you intend to attend the AGM in person, you are advised to complete the proxy form. The proxy form for holders of H Shares should be returned to Tricor Investor Services Limited at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and the proxy form for holders of Domestic Shares should be returned to the registered business address of the Company at Beizhou Road, Lidian Town, Guangling District, Yangzhou City, Jiangsu Province, the PRC, either by hand or by post by 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjourned meeting, in person, if you so wish.

Shareholders who intend to attend the AGM in person or by proxy are required to return the completed reply slip to Tricor Investor Services Limited (for holders of H Shares) or to the registered business address of the Company (for holders of Domestic Shares) on or before Saturday, 10 June 2017.

This circular will remain on the “Latest Company Announcements” page of the website of the Growth Enterprise Market of the Stock Exchange (“GEM”) ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from the date of its publication and on the website of the Company ([www.gltaihe.com](http://www.gltaihe.com)).

9 June 2017

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting or any adjourned meeting thereof (as the case may be) to be held at 10 a.m. on Friday, 30 June 2017 at 2/F, No. 1 Hongqi Avenue, Jiangwang Town, Hanjiang District, Yangzhou City, Jiangsu Province, PRC, and the notice of which as set out on pages 17 to 19 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“Company”	Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (揚州市廣陵區泰和農村小額貸款股份有限公司), whose H Shares are listed and traded on the GEM (stock code: 8252)
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary shares in issue in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed in RMB or credited as fully paid in RMB by PRC natural persons or entities established under the laws of the PRC and all of such shares have not listed on the Stock Exchange
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“H Shares”	the ordinary shares in issue in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK Dollars and listed on the GEM (stock code: 8252)
“HK\$” or “HK Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Listing Date”	8 May 2017
“Latest Practicable Date”	6 June 2017
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

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## DEFINITIONS

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“Prospectus”	the prospectus of the Company dated 24 April 2017
“RMB” or “Reminbi”	Renminbi, the lawful currency of the PRC
“Shares”	Domestic Shares and/or H Shares
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company

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LETTER FROM THE BOARD

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**YANGZHOU GUANGLING DISTRICT TAIHE RURAL  
MICRO-FINANCE COMPANY LIMITED**

**揚州市廣陵區泰和農村小額貸款股份有限公司**

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

**(Stock Code: 8252)**

*Executive Directors:*

Mr. Bo Wanlin  
Ms. Bai Li  
Ms. Zhou Yinqing

*Registered Office:*

Beizhou Road, Lidian Town,  
Guangling District,  
Yangzhou City, Jiangsu Province,  
the PRC

*Non-executive Directors:*

Mr. Bo Nianbin  
Mr. Zuo Yuchao

*Principle Place of Business in Hong Kong:*

18/F, Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

*Independent Non-executive Directors:*

Mr. Bao Zhenqiang  
Mr. Wu Xiankun  
Mr. Chan So Kuen

9 June 2017

To the Shareholders

Dear Sir or Madam,

**2016 Report of the Board  
2016 Report of the Board of Supervisors  
2016 Audited Financial Statements,  
Auditor's Report and Appropriation to  
General Reserves and Surplus Reserves  
Re-Appointment of Auditor  
And  
Notice of 2016 Annual General Meeting**

**INTRODUCTION**

Reference is being made to the notice of the Company dated 16 May 2017. The purpose of this circular is to provide you with the information on certain ordinary resolutions to be proposed on the AGM to enable you to make an informed decision on whether to vote for or against those resolutions at the AGM.

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## **LETTER FROM THE BOARD**

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Apart from the general business, the ordinary resolutions to be proposed at the AGM include 1. to consider and approve the report of the Board for the year ended 31 December 2016; 2. to consider and approve the report of the Board of Supervisors for the year ended 31 December 2016; 3. to consider and approve the audited financial statements, the auditor's report and appropriation to general reserves and surplus reserves for the year ended 31 December 2016; and 4. to consider and approve the re-appointment of Ernst & Young as the auditor of the Company for the year ended 31 December 2017 and to authorize the Board to fix its remuneration.

### **REPORT OF THE BOARD FOR THE YEAR ENDED 31 DECEMBER 2016**

The report of the Board for the year ended 31 December 2016 is set out in appendix I of this circular.

### **REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR ENDED 31 DECEMBER 2016**

The report of the Board of Supervisors for the year ended 31 December 2016 is set out in appendix II of this circular.

### **AUDITED FINANCIAL STATEMENTS, AUDITOR'S REPORT AND APPROPRIATION TO GENERAL RESERVES AND SURPLUS RESERVES FOR THE YEAR ENDED 31 DECEMBER 2016**

The audited financial statements of the Company for the year ended 31 December 2016 are set out in appendix I of the Prospectus. Please refer to the links of the Company and the Stock Exchange as followed:

[http://www.gltaihe.com/uploadfiles/editor/file/201704/public\\_offer.pdf](http://www.gltaihe.com/uploadfiles/editor/file/201704/public_offer.pdf)

<http://www.hkexnews.hk/listedco/listconews/GEM/2017/0424/GLN20170424003.pdf>

### **ACTIONS TO BE TAKEN**

Notice convening the AGM is set out on pages 17 to 19 of this circular and the ordinary resolutions will be proposed on the AGM to approve the followings, amongst other things:

1. to consider and approve the report of the Board for the year ended 31 December 2016;
2. to consider and approve the report of the Board of Supervisors for the year ended 31 December 2016;
3. to consider and approve the audited financial statements, the auditor's report and appropriation to general reserves and surplus reserves for the year ended 31 December 2016; and
4. to consider and approve the re-appointment of Ernst & Young as the auditor of the Company for the year ended 31 December 2017 and to authorize the Board to fix its remuneration.

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## LETTER FROM THE BOARD

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Proxy form for use at the AGM has been sent to you with the notice convening the AGM. Whether or not you intend to attend the AGM in person, you are advised to complete the proxy form. The proxy form for holders of H Shares should be returned to Tricor Investor Services Limited at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and the proxy form for holders of Domestic Shares should be returned to the registered business address of the Company at Beizhou Road, Lidian Town, Guangling District, Yangzhou City, Jiangsu Province, the PRC, either by hand or by post by 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjourned meeting, in person, if you so wish.

Shareholders who intend to attend the AGM in person or by proxy are required to return the completed reply slip to Tricor Investor Services Limited (for holders of H Shares) or to the registered business address of the Company (for holders of Domestic Shares) on or before Saturday, 10 June 2017.

### **VOTING BY POLL**

Pursuant to Rule 17.47(4) of the GEM Listing Rules, voting by Shareholders at a general meeting shall be by way of poll.

During voting by way of poll, each Shareholder who attends in person or by proxy or (if the Shareholder is a corporation) its officially authorized representative may have one vote for each Share recorded under his/her/its name as set out in the register of members; where a Shareholder holding more than one Share is not required to cast his/her/its vote in respect of all the Shares or exercise all his/her/its rights in the same way.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purposes of giving information with regard to the Company. Each of the Directors, having made all reasonable enquiries, confirms 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.

### **RECOMMENDATION**

The Directors are of the view that resolutions approving the report of the Board for the year ended 31 December 2016; the report of the Board of Supervisors for the year ended 31 December 2016; the audited financial statements, the auditor's report and appropriation to general reserves and surplus reserves for the year ended 31 December 2016; and the re-appointment of Ernst & Young as the auditor of the Company for the year ended 31 December 2017 and to authorize the Board to fix its remuneration are in the best interests of the Company and Shareholders as a whole; and recommend accordingly the Shareholders to vote in favour of the relevant resolutions at the AGM.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

### ADDITIONAL INFORMATION

If there is any inconsistency between the Chinese and English texts of this circular, the Chinese text shall prevail.

By Order of the Board  
**Yangzhou Guangling District Taihe Rural  
Micro-finance Company Limited**  
**Bo Wanlin**  
*Chairman*

## **Report of the Board of Directors**

The Board is pleased to present the report of the Board of Directors for the year ended 31 December 2016.

### **PRINCIPAL ACTIVITIES**

We were the first rural microfinance company in Yangzhou City authorized by Jiangsu Finance Office to conduct micro and small loan business across Yangzhou City. We are dedicated to serving small and medium-sized enterprises (SMEs), microenterprises and individual proprietors in Yangzhou City, by offering flexible, accessible and efficient micro and small loan services aiming to best match our customers' interim business financing needs. Our established local presence, transparent business practice and local reputation have earned us various recognitions.

### **RESULTS**

The audited financial statements of the Company for the year ended 31 December 2016 are set out in appendix I of the Prospectus. Please refer to the links of the Company and the Stock Exchange as follows:

[http://www.gltaihe.com/uploadfiles/editor/file/201704/public\\_offer.pdf](http://www.gltaihe.com/uploadfiles/editor/file/201704/public_offer.pdf)

<http://www.hkexnews.hk/listedco/listconews/GEM/2017/0424/GLN20170424003.pdf>

### **BUSINESS REVIEW**

A review of the business of the Company for the year ended 31 December 2016, and a discussion on the Company's future business development are set out in the section headed "Business" of the Prospectus. Descriptions of principal risks and uncertainties that the Company may be facing are provided in the section headed "Risk Factors" of the Prospectus. An analysis of the Company's performance using key financial performance indicators during the year ended 31 December 2016 is set out in the section headed "Financial Information" of the Prospectus. The account of the key relationships of the Company with its stakeholders is contained in the section headed "Relationship with the Controlling Shareholders" of the Prospectus.

### **FINAL DIVIDEND**

The Board does not recommend the payment of any final dividend for the year ended 31 December 2016.

### **FINANCIAL SUMMARY**

A summary of the Company's results, assets and liabilities for the last three financial years are set out in the section headed "Financial Information" of the Prospectus.

**MAJOR CUSTOMERS**

We have a relatively broad customer base comprising primarily SMEs, microenterprises and individual proprietors, situated or resided in Yangzhou City. For the year ended 31 December 2016, our top five customers from whom we generated interest income on loans receivable accounted for approximately 7.6% of our total interest income on loans receivable, while our largest customer accounted for approximately 1.8% of our total interest income on loans receivable for the same period. For the year ended 31 December 2016, none of the Directors or any of their associates or any Shareholders owning more than 5% of the Company's issued share capital had any interests in the Company's five largest customers. Due to the nature of our business, we did not have any supplier for the year ended 31 December 2016.

**PROPERTY AND EQUIPMENT**

Details of movements in the property, plant and equipment of the Company during the year ended 31 December 2016 are set out in the section headed "Financial Information" of the Prospectus.

**SHARE CAPITAL**

The Company's H Shares were successfully listed on the GEM on 8 May 2017. The Company issued a total of 150,000,000 H shares by way of public offer.

There's no movement in the share capital of the Company for the period from the Listing Date up to the Latest Practicable Date.

**RESERVES**

Details of movements in the reserves and distributable reserves of the Company during the year ended 31 December 2016 are set out in the section headed "Financial Information" of the Prospectus.

**RELATED PARTY TRANSACTION**

Leasing expense was paid to an entity with significant influence over the Company in respect of the Company's office. In November 2014, the Company renewed the lease agreement, and the leasing period is from 1 January 2015 to 31 December 2017. The leasing expenses for the year ended 31 December 2016 was RMB525,000. The lease constitutes a de minimis continuing connected transaction of the Company, and is exempted from reporting, annual review, announcement, circular and the independent shareholders' approval requirements under chapter 20 of the GEM Listing Rules.

Save as disclosed above, the Company didn't enter into any related party transaction, connected transaction or continuing connected transaction for the year ended 31 December 2016.

**BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

Details of the Directors, Supervisors and senior management of the Company are set out in the section headed "Directors, Supervisors and Senior Management" of the Prospectus.

**DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS**

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company on 6 April 2017 for a term of three years commencing from the Listing Date, subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with the Articles of Association and the applicable laws, rules or regulations. Each independent non-executive Directors has signed a letter of appointment on 6 April 2017 for an initial term of three years commencing from the Listing Date. None of the Directors or the Supervisors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

**DIRECTORS' AND SUPERVISORS' INTERESTS IN MATERIAL TRANSACTIONS,  
ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

No material transactions, arrangements or contract of significance to the Company's business and in which the Directors or the Supervisors has any material interest, whether directly or indirectly at any time during the year ended 31 December 2016.

**CONTRACTS OF SIGNIFICANCE**

During the year ended 31 December 2016, there had been no contract of significance between the Company and a controlling shareholder, nor any contract of significance for the provision of services to the Company by a controlling shareholder or any of its subsidiaries.

**DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the year ended 31 December 2016, none of the Directors and their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Company and any other conflicts of interest which any such person has or may have with the Company.

**MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2016.

**REMUNERATION POLICY**

A Remuneration Committee was set up for, among others, reviewing and making recommendations on remuneration policy for Directors and senior management of the Company, taking into account salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Company.

Please refer to the section headed “Business” of the Prospectus for general emolument policy. Other than the general emolument policy, currently the Company does not have long-term incentive schemes. For remuneration of our members of senior management, please refer to the section headed “Directors, Supervisors and Senior Management” of the Prospectus for details.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Details of the principal risks and uncertainties of the Company are set out in the section headed “Risk Factors” of the Prospectus.

**RETIREMENT BENEFITS SCHEME**

The Company is required to participate in pension schemes organized by the respective municipal governments of the PRC whereby the Company is required to pay contributions for PRC based employees at certain rate of the standard wages determined by the relevant authorities in the PRC during the year. The Company has no other material obligation for payment of retirement benefits to the PRC based employees beyond the annual contributions described above.

**CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS**

There was no change to any of the information required to be disclosed in relation to any Director and Supervisor pursuant to paragraphs (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules for the period from the Listing Date up to the Latest Practicable Date.

**DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION**

As at the Latest Practicable Date, interests or short positions of the Directors, Supervisors and chief executive of the Company and their associates in any of the shares and debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) (Chapter 571 of the Laws of Hong Kong)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including circumstance of interests or short positions deemed or taken to have under such provisions of the SFO), or interests or short positions in the underlying shares and debt securities recorded in the register required to be kept pursuant to Section 352 of the SFO or share transaction

as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

### Shares of the Company

Director	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate shareholding percentage in the relevant class of Shares <sup>(2)</sup>	Approximate percentage of shareholding in the total issued share capital of the Company <sup>(3)</sup>
Mr. Bo Wanlin	Interest in controlled corporation <sup>(4)</sup>	Domestic Shares	430,100,000 (L)	95.58%	71.68%
Ms. Bai Li	Beneficial owner of the Company	Domestic Shares	10,000,000 (L)	2.22%	1.67%
Mr. Zuo Yuchao	Beneficial owner of the Company	Domestic Shares	2,600,000 (L)	0.58%	0.43%
Ms. Zhou Yinqing	Beneficial owner of the Company	Domestic Shares	700, 000 (L)	0.15%	0.12%

*Notes:*

- (1) The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in the Shares.
- (2) The calculation is based on the percentage of shareholding in Domestic Shares (namely, ordinary share in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC nationals and/or PRC-incorporated entities).
- (3) The calculation is based on the total number of 600,000,000 Shares in issue.
- (4) Jiangsu Botai Group Co., Ltd. (江蘇柏泰集團有限公司) (“Botai Group”) is directly interested in approximately 40.03% in our Company. The disclosed interest represents the interest in the Company held by Botai Group which is in turn held as to approximately 33.33% by Mr. Bo Wanlin, approximately 16.67% by Mr. Bo Nianbin, approximately 16.67% by Ms. Bai Li, approximately 16.67% by Ms. Wang Zhengru (spouse of Mr. Bo Wanlin) and approximately 16.67% by Ms. Zhu Wenying (mother of Mr. Bo Wanlin). Mr. Bo Wanlin and his spouse control more than one-third of the voting rights of Botai Group and are deemed to be interested in its interest in the Company by virtue of the SFO.

**Associated Corporation**

<b>Director</b>	<b>Associated Corporation</b>	<b>Nature of interest</b>	<b>Approximate shareholding percentage in the relevant class of Shares in the Associated Corporation</b>
Mr. Bo Wanlin	Botai Group	Beneficial owner <sup>(1)</sup>	33.33%
		Family interest of spouse <sup>(2)</sup>	16.67%
Ms. Bai Li	Botai Group	Beneficial owner <sup>(1)</sup>	16.67%
Mr. Bo Nianbin	Botai Group	Beneficial owner <sup>(1)</sup>	16.67%

*Notes:*

- (1) The disclosed interest represents the interests in Botai Group, the associated corporation which is wholly owned as to approximately 33.33% by Mr. Bo Wanlin, approximately 16.67% by Mr. Bo Nianbin, approximately 16.67% by Ms. BaiLi, approximately 16.67% by Ms. Wang Zhengru (spouse of Mr. Bo Wanlin) and approximately 16.67% by Ms. Zhu Wenying (mother of Mr. Bo Wanlin).
- (2) Mr. Bo Wanlin is the spouse of Ms. Wang Zhengru and is deemed to be interested in Ms. Wang Zhengru's interest in Botai Group by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors and chief executive nor their associates had any interests or short positions in any of the shares or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept pursuant to section 352 of the SFO, or transactions of shares and debt securities otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

**DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

None of the Directors or Supervisors or any of their respective associates was granted by the Company any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND  
UNDERLYING SHARES

As at the Latest Practicable Date, so far as the Directors are aware, each of the following persons have an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered into the register referred to in section 336 of the SFO:

Shareholder	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate shareholding percentage in the relevant class of Shares	Approximate percentage of shareholding in the total issued share capital of the Company <sup>(3)</sup>
Botai Group	Beneficial owner of the Company Interest in controlled corporation <sup>(4)</sup>	Domestic Shares	240,200,000 (L)	53.38% <sup>(2)</sup>	40.03%
		Domestic Shares	189,900,000 (L)	42.20% <sup>(2)</sup>	31.65%
Mr. Bo Wanlin	Interest in controlled corporation <sup>(5)</sup>	Domestic Shares	430,100,000 (L)	95.58% <sup>(2)</sup>	71.68%
Ms. Wang Zhengru	Family interest of Spouse <sup>(6)</sup>	Domestic Shares	430,100,000 (L)	95.58% <sup>(2)</sup>	71.68%
Jiangsu Liantai Fashion Shopping Mall Real Estate Co., Ltd. (江蘇聯泰時尚購物廣場置業有限公司) (“Liantai Guangchang”)	Beneficial owner of the Company	Domestic Shares	189,900,000 (L)	42.20% <sup>(2)</sup>	31.65%
Mr. Suen Cho Hung, Paul	Beneficial owner of the Company	H Shares	54,000,000(L)	36.00% <sup>(7)</sup>	9.00%
Mr. Lai Ming Wai	Beneficial owner of the Company	H Shares	10,000,000(L)	6.67% <sup>(7)</sup>	1.67%

Notes:

(1) The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in the Shares.

- (2) The calculation is based on the percentage of shareholding in the Domestic Shares.
- (3) The calculation is based on the total number of 600,000,000 Shares in issue after the Public Offer.
- (4) As at the Latest Practicable Date, Liantai Guangchang is held as to approximately 48.67% by Botai Group, approximately 26.33% by Mr. Bo Wanlin, approximately 15.00% by Mr. Bo Nianbin and approximately 10.00% by Ms. Zhu Wenyong (mother of Mr. Bo Wanlin). Botai Group controls more than one-third of the voting rights of Liantai Guangchang and are deemed to be interested in its interest in the Company by virtue of the SFO.
- (5) As at the Latest Practicable Date, Botai Group is held as to approximately 33.33% by Mr. Bo Wanlin, approximately 16.67% by Mr. Bo Nianbin, approximately 16.67% by Ms. Bai Li, approximately 16.67% by Ms. Wang Zhengru (spouse of Mr. Bo Wanlin) and approximately 16.67% by Ms. Zhu Wenyong (mother of Mr. Bo Wanlin). Mr. Bo Wanlin and his spouse control more than onethird of the voting rights of Botai Group and are deemed to be interested in its interest in the Company by virtue of the SFO.
- (6) Ms. Wang Zhengru, the spouse of Mr. Bo Wanlin, is deemed to be interested in Mr. Bo Wanlin's interest in the Company by virtue of the SFO.
- (7) The calculation is based on the percentage of shareholding in the H Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as known to the Directors, no interests or short positions of substantial shareholders of the Company and other persons in any shares and debentures or underlying shares were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were required to be entered into the register referred to in section 336 of the SFO.

#### **SIGNIFICANT EVENT AFTER THE REPORTING PERIOD**

Up to the Latest Practicable Date, save for the successful listing of the Company's H Shares on the GEM on 8 May 2017, there was no significant event relevant to the business or financial performance of the Company that comes to the attention of the Directors after the year ended 31 December 2016.

#### **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Company carries out internal recycling measures in terms of its consumables (e.g. toner cartridge and paper) in order to lessen its impact on consumption of resources and impact on environment resulting from the operating activities. The Company implements energy saving measures in the offices and branches and encourages its employees to reduce unnecessary use of light and air-conditioning.

#### **COMPANY'S COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

The Company is able to comply with relevant requirements of laws, regulations, rules and provisions of the Companies Ordinance, the GEM Listing Rules, the Securities and Futures Ordinance in Hong Kong, the Company Law of the PRC, etc., including information disclosure, corporate governance, standard industry operation, etc. The Company has adopted the a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

For the period from the Listing Date up to the Latest Practicable Date, save for the successful listing of the Company's H Shares on the GEM on 8 May 2017, there was no purchase, sale or redemption of any listed securities of the Company by the Company.

**PERMITTED INDEMNITY**

The Company has purchased liability insurance for Directors and senior management which provides proper insurance for the Directors and senior management in respect of liabilities from legal actions against them arising from corporate activities.

**FUTURE DEVELOPMENT**

Details of the future development of the Company are set out in the section headed "Future Plans" of the Prospectus.

**CORPORATE GOVERNANCE**

The Company is committed to maintaining high level of corporate governance. The Board currently comprises three executive Directors, two non-executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code as set out in Appendix 16 to the GEM Listing Rules. For the period from the Listing Date up to the Latest Practicable Date, the Company has complied with all the code provisions under the Corporate Governance Code. The Board will continue to review and improve the Company's corporate governance system to ensure its compliance with the Corporate Governance Code.

**SUFFICIENCY OF PUBLIC FLOAT**

For the period from the Listing Date up to the Latest Practicable Date, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained the prescribed public float under the GEM Listing Rules.

**AUDITORS**

The consolidated financial statements for the year ended 31 December 2016 have been audited by Ernst & Young. Ernst & Young shall retire in the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming AGM.

By order of the Board of  
**Yangzhou Guangling District Taihe Rural  
Micro-finance Company Limited**  
**Bo Wanlin**  
*Chairman of the Board*

9 June 2017

### **Report of the Board of Supervisors**

The Board of Supervisors has executed its duties earnestly, safeguarded the rights and interests of the Company and Shareholders, complied with the principle of good faith and carried out its work in a diligent and proactive manner pursuant to the provisions of the Company Law of the PRC, other relevant laws and regulations and the Articles of Association.

During the year, the Board of Supervisors reviewed cautiously the operation and development plans of the Company and put forward reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the significant policies and specific decisions made by the management of the Company to ensure that they were in compliance with the laws and regulations of the PRC and the Articles of Association, and in the interests of the Shareholders.

The Board of Supervisors have reviewed earnestly and approved the report of the Board, audited financial statements and the dividend payment proposal to be presented by the Board at the forthcoming AGM. We are of the opinion that the Board, chief executive and other senior management of the Company have strictly complied with the principle of good faith, and have worked diligently, exercised their authority faithfully in the best interests of the Company, and executed various tasks pursuant to the Articles of Association. Up to the Latest Practicable Date, none of the Directors, chief executive or senior management of the Company has been found to have been in breach of any laws or regulations or the Articles of Association and damaged the interests of the Company or the Shareholders.

The Board of Supervisors is satisfied with the various tasks carried out by the Company in 2016 and the economic benefits generated therefrom. It has full confidence in the future development outlook of the Company.

By order of the Board of Supervisors of  
**Yangzhou Guangling District Taihe Rural  
Micro-Finance Company Limited**  
**Wang Chunhong**  
*Chairman of the Board of Supervisors*

9 June 2017

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## NOTICE OF ANNUAL GENERAL MEETING

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### YANGZHOU GUANGLING DISTRICT TAIHE RURAL MICRO-FINANCE COMPANY LIMITED 揚州市廣陵區泰和農村小額貸款股份有限公司

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

**(Stock Code: 8252)**

### NOTICE OF THE 2016 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2016 annual general meeting (the “AGM”) of Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (the “Company”) will be held at 10 a.m. on Friday, 30 June 2017 at 2/F, No. 1 Hongqi Avenue, Jiangwang Town, Hanjiang District, Yangzhou City, Jiangsu Province, the PRC, for the following purposes:

#### ORDINARY RESOLUTIONS

To consider and approve the following matters as ordinary resolutions:

1. To consider and approve the report of the board (the “**Board**”) of directors of the Company (the “**Directors**”) for the year ended 31 December 2016;
2. To consider and approve the report of the board of supervisors of the Company for the year ended 31 December 2016;
3. To consider and approve the audited financial statements, the report of the auditors of the Company and appropriation to general reserves and surplus reserves for the year ended 31 December 2016; and
4. To consider and approve the reappointment of Ernst & Young as the Company’s auditor and to authorise the Board to fix its remuneration for the year ending 31 December 2017.

By Order of the Board  
**Yangzhou Guangling District Taihe Rural  
Micro-finance Company Limited**  
**Bo Wanlin**  
*Chairman*

Yangzhou, the PRC, 16 May 2017

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. In order to determine the shareholders' eligibility to attend the AGM, the register of members of the Company will be closed from Wednesday, 31 May 2017 to Friday, 30 June 2017, both days inclusive, during which no transfer of shares will be registered. Only shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 30 June 2017 or their proxies or duly authorised corporate representatives are entitled to attend the AGM. In order to qualify for attending and voting at the AGM, all properly completed transfer documents accompanied with relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares), or the Company's registered office in the PRC at Beizhou Road, Lidian Town, Guangling District, Yangzhou City, Jiangsu Province, the PRC (for holders of domestic shares) not later than 4:30 p.m. on Monday, 29 May 2017.
2. A Shareholder entitled to attend and vote at the AGM may appoint one or more person (whether he/she is a Shareholder or not) to attend and vote at the same on his or her behalf.
3. The instrument appointing a proxy must be in writing and signed by a Shareholder or his/her duly authorized attorney. If the Shareholder is a corporation, such instrument must be either under its common seal or duly signed by its legal representative, director(s) or duly authorized attorney(s).
4. Shareholders who intend to attend the AGM by proxy should complete the proxy form. For holders of H shares, the proxy form should be returned to Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong and for holders of domestic shares, the proxy form should be returned to the Company's registered office in the PRC at Beizhou Road, Lidian Town, Guangling District, Yangzhou City, Jiangsu Province, the PRC, in person or by post not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the AGM or any adjournment thereof and voting in person.
5. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip (for holders of H shares) to Tricor Investor Services Limited or the Company's registered office in the PRC (for holders of domestic shares) on or before Saturday, 10 June 2017.
6. Shareholders shall provide their identity documents when attending the AGM. A proxy who attends the AGM on behalf of a Shareholder shall produce his/her identification document. If a Shareholder who is a legal person appoints its legal representative to attend the meeting, the legal representative shall produce his/her identification document and a notarially certified copy of the resolution or form of proxy of the board of directors or other governing body of the legal person (other than a recognized clearing house or its nominee) authorizing the legal representative.
7. The AGM is expected to last for less than half a day. Shareholders (in person or by proxy) attending this AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending this AGM shall present their identity certifications.
8. In case of joint holders of a share, any one of such holders is entitled to vote at the meeting either in person or by proxy for such share, as if he/she is the only one entitled to do so among the joint holders. However, only the vote of the person whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the meeting personally or by proxy.
9. The resolutions as set out above are required to be determined by way of poll under the Rules Governing the Listing of the Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM").
10. The contact information of the Company is as follows:

**Contact person: Mr. Xu Lei/ Mr. Andy Wong**

Contact Tel: 86 514 87947629/ 852 3912 0837

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## NOTICE OF ANNUAL GENERAL MEETING

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*As at the date of this notice, the Board comprises three executive Directors, namely Mr. Bo Wanlin, Ms. Bai Li and Ms. Zhou Yinqing; two non-executive Directors, namely Mr. Bo Nianbin and Mr. Zuo Yuchao and three independent non-executive Directors, namely Mr. Bao Zhenqiang, Mr. Wu Xiankun and Mr. Chan So Kuen.*

*This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this notice 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 any statement herein or this notice misleading.*

*This notice will remain on the “Latest Company Announcements” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from the date of its publication and on the website of the Company ([www.gltaihe.com](http://www.gltaihe.com)).*