
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, 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 and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer 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)

**REPORT OF THE DIRECTORS FOR THE YEAR 2017,
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2017,
ANNUAL REPORT FOR THE YEAR 2017,
THE COMPANY'S AUDITED FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR 2017,
FINAL FINANCIAL REPORT FOR 2017,
ANNUAL FINANCIAL BUDGET FOR 2018,
PROFIT DISTRIBUTION PROPOSAL FOR 2017,
RE-APPOINTMENT OF AUDITOR
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF AGM**

The annual general meeting of the Company (“AGM”) will be held at 10 a.m. on Thursday, 17 May 2018 at 2/F, No. 1 Hongqi Avenue, Jiangwang Town, Hanjiang District, Yangzhou City, Jiangsu Province, PRC. The Notice of AGM has been sent to you on 29 March 2018.

Proxy form to be used by Shareholders on the AGM have been sent to you on 29 March 2018. 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 Level 22, 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 Friday, 27 April 2018.

This circular will remain on the “Latest Company Announcements” page of the website of GEM (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.gltaihe.com).

29 March 2018

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“Board”	the board of Directors
“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 on 8 May 2017 (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 and/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
“AGM”	the annual general meeting or any adjourned meeting thereof (as the case may be) to be held at 10 a.m. on Thursday, 17 May 2018 at 2/F, No. 1 Hongqi Avenue, Jiangwang Town, Hanjiang District, Yangzhou City, Jiangsu Province, PRC
“GEM”	GEM 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
“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
“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

DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company
“Board of Supervisors”	the supervisory committee of the Company
“%”	percentage

LETTER FROM THE BOARD

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)

Executive Directors:

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

Non-executive Directors:

Mr. Bo Nianbin
Mr. Zuo Yuchao

Independent Non-executive Directors:

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

Registered Office:

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

Principle Place of

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

29 March 2018

To the Shareholders

Dear Sir or Madam,

**REPORT OF THE DIRECTORS FOR THE YEAR 2017,
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2017,
ANNUAL REPORT FOR THE YEAR 2017,
THE COMPANY'S AUDITED FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR 2017,
FINAL FINANCIAL REPORT FOR 2017,
ANNUAL FINANCIAL BUDGET FOR 2018,
PROFIT DISTRIBUTION PROPOSAL FOR 2017,
RE-APPOINTMENT OF AUDITOR
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF AGM**

INTRODUCTION

The purpose of this circular is to provide you with the relevant information on certain ordinary resolutions and special resolution to be proposed on the AGM to enable you to make an informed

LETTER FROM THE BOARD

decision on whether to vote for or against or abstain from voting on any of those resolutions at the AGM:

ORDINARY RESOLUTIONS

- (1) Report of the Directors for the year 2017;
- (2) Report of the board of Supervisors for the year 2017;
- (3) Annual report for the year 2017;
- (4) The Company's audited financial statements and auditor's report for the year 2017;
- (5) Final financial report for 2017;
- (6) Annual financial budget for 2018;
- (7) Profit distribution proposal for 2017;
- (8) Re-appointment of auditor;

SPECIAL RESOLUTION

- (9) General mandate to issue Shares.

(1) REPORT OF THE DIRECTORS FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to approve the report of the Directors for the year 2017, the text of which is set out in the Company's annual report dispatched on 29 March 2018.

(2) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to approve the report of the board of Supervisors for the year 2017, the text of which is set out in the Company's annual report dispatched on 29 March 2018.

(3) ANNUAL REPORT FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to approve the annual report for the year 2017 dispatched on 29 March 2018.

LETTER FROM THE BOARD

(4) THE COMPANY'S AUDITED FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR OF 2017

An ordinary resolution will be proposed at the AGM to approve the Company's audited financial statements and auditor's report for the year ended 31 December 2017, the text of which is set out in the Company's annual report dispatched on 29 March 2018.

(5) FINAL FINANCIAL REPORT FOR 2017

The Final Financial Accounts for 2017 were completed by the Company in accordance with applicable regulations. In accordance with audited financial statements for the year ended December 31, 2017, the final financial accounts for 2017 of the Company are set out below:

1. Business Scale Indicators

The Company's balance of outstanding loans (before allowance for impairment losses) was approximately RMB 812.0 million, representing an increase of approximately 35.5% as compared to approximately RMB 599.4 million as at 31 December 2016. Total assets as at 31 December 2017 were approximately RMB 804.7 million, representing an increase of approximately 34.6% as compared to approximately RMB 598.0 million as at 31 December 2016, and net assets were approximately RMB 790.6 million as at 31 December 2017, representing an increase of approximately 36.1% as compared to approximately RMB 580.8 million as at 31 December 2016.

2. Operation Efficiency Indicators

For the year ended 31 December 2017, the Company recorded gross interest income of approximately RMB 91.3 million, representing an increase of approximately 22.6% as compared to approximately RMB 74.5 million for the year ended 31 December 2016; and profit after tax of approximately RMB 45.8 million, representing an increase of approximately 13.2% as compared to approximately RMB 40.5 million for the year ended 31 December 2016.

3. Risk Management Indicators

As at 31 December 2017, the impaired loan ratio was 1.1%, representing a decrease of 0.6 percentage point as compared with the previous year. The total balance of impaired loan as at the end of the 2017 was RMB8.959 million, representing a decrease of 10.2% as compared with the previous year. The total allowance for impairment losses as at the end of the 2017 was RMB24.574 million and the allowance coverage ratio was 274.3%.

Please refer to the financial statements in the 2017 Annual Report of the Company which is dispatched together with this circular for details of the audited financial information of the Company for the year ended 31 December, 2017. The Annual Financial Budget for 2017 of the Company was considered and approved by the Board on 16 March, 2018 and is hereby submitted to the AGM for consideration and approval.

LETTER FROM THE BOARD

(6) ANNUAL FINANCIAL BUDGET FOR 2018

Considering the macro-economic situation, financial condition and the business growth of the Company in last three years, the Company has formulated the Annual Financial Budget for 2018 after detailed calculation and analysis and collecting different opinions. The details are set out as follows:

1. The estimated maximum total administrative expenses will be RMB20.0 million;
2. According to the needs of strategic development and business expansion, the planned maximum capital expenditure of the Company will be RMB4.0 million, mainly including the expenses for properties renovation, IT system development and purchasing other fixed assets.

The Annual Financial Budget for 2018 of the Company was considered and approved by the Board on March 16, 2018 and is subject to the approval of the Company's shareholders at the AGM.

(7) PROFIT DISTRIBUTION PROPOSAL FOR 2017

As approved at the board of directors' meeting held on 16 March 2018, the profit distribution plan of 2017 was as follows:

1. 10% of 2017 net profit amounting to RMB4,583,389 is appropriated to the statutory surplus reserve;
2. RMB1,889,477 is appropriated to the general reserve;
3. Based on the number of total shares of 600,000,000 issued as at 31 December 2017, a cash final dividend of RMB0.08 per share (tax inclusive) amounting to approximately RMB48,000,000 (tax inclusive) was proposed. The final dividend will be payable in or about 15 June 2018. The proposed dividend will be denominated in Renminbi. Dividend payable to holders of Domestic Shares will be paid in Renminbi, whereas dividend payable to holders of H Shares will be paid in Hong Kong dollars. The exchange rate of Renminbi to Hong Kong dollars to be adopted will be the average middle rate of the five business days preceding the date of declaration of such dividend (exclusive) (being 17 May 2018 (Thursday), the date of the 2017 annual general meeting of the Company) as announced by the People's Bank of China.

The above profit distribution proposal for 2017 is subject to the approval of the Company's shareholders at the AGM.

(8) RE-APPOINTMENT OF AUDITOR

An ordinary resolution will be proposed at the AGM to consider and approve the re-appointment of Ernst & Young as the Company's external auditor for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine its remuneration.

LETTER FROM THE BOARD

(9) GENERAL MANDATE TO ISSUE SHARES

To consider and approve the following matters as special resolutions of the Company:

“**THAT:**

- (1) in accordance with the requirements of the GEM Listing Rules, the Company Law of the PRC, as well as other applicable laws and regulations, in each case as amended from time to time, a general mandate be granted to the Board to exercise, for once or more than once, all the power of the Company to allot, issue and deal with Domestic Shares and/or H Shares or securities convertible into such shares or options, warrants or similar rights to subscribe for any such shares or such convertible securities (including the power to make or grant any offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers) during the Relevant Period (as defined below):

In exercising the above power, the authority of the Board to determine the specific issue plan shall include (but not limited to) the following:

- (i) to determine the amount of the Domestic Shares and/or H Shares to be allotted;
- (ii) to determine the issue price of the new Domestic Shares and/or H Shares;
- (iii) to determine the date(s) on which the issue of new Domestic Shares and/or H Shares is/are to be commenced and closed;
- (iv) to determine the number of new Domestic Shares and/or H Shares, if applicable, to be issued to the existing holders of Domestic Shares and/or H Shares;
- (v) to make or grant an offer, agreement and option necessary for the exercise of such powers; and
- (vi) where prohibited and required by foreign laws or regulations, or by other reasons which in the opinion of the Board are appropriate, to determine that the offer of subscription for and issue of shares to holders of H Shares shall exclude shareholders residing in the PRC or the offer of subscription for and issue of shares to holders of Domestic Shares shall exclude shareholders residing outside the PRC.
 - (a) upon the exercise of the powers granted to the Board above, the Board may during the Relevant Period make or grant any offers, agreements, or options which might require the exercise of such powers either during or after the expiration of the Relevant Period;
 - (b) the aggregate number of Domestic Shares and H Shares to be allotted or agreed conditionally or unconditionally to be allotted by the Board pursuant to such mandate granted to the Board above shall not exceed:

LETTER FROM THE BOARD

- (i) 20% of the number of Domestic Shares in issue; and
 - (ii) 20% of the number of H Shares in issue; in each case as of the date of the passing of this resolution, otherwise than pursuant to (i) a Right Issue (as defined below); (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association; (iii) the exercise of any right of subscription or conversion under the terms of any bonds, warrants or debentures which may be issued by the Company or any securities which are convertible into shares of the Company; or (iv) a specific authority granted by the shareholders of the Company in general meeting; and (c) the Board shall only exercise its power under such mandate in accordance with the Company Law of the PRC, the GEM Listing Rules and other applicable laws and regulations (in each case as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities have been obtained; and
- (2) subject to the Board resolving to issue shares pursuant to subparagraph (1) of this resolution, the Board be authorised to:
- (a) formulate and implement the specific issuance plan with details including but not limited to: the class and number of the shares of the Company to be issued; the pricing method and/or issue price (including the range of issue price); the start and end date of the issuance; use of proceeds; and other matters to be included in a specific issuance plan as required by the relevant laws, regulations and other regulatory documents, relevant regulatory institutions as well as the stock exchange of the place where the H Shares are listed;
 - (b) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation, the agreement for the engagement of any professional parties, making all necessary applications to the relevant authorities, entering into an underwriting agreement (or any other agreement) and making appropriate amendments;
 - (c) make all necessary filings and registrations with the relevant PRC and Hong Kong authorities; and
 - (d) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increase of capital with the relevant authorities in the PRC and to make such amendments to the Articles of Association as it thinks fit so as to reflect the increase and any other changes in the registered capital of the Company.”

LETTER FROM THE BOARD

For the purpose of this resolution:

“Relevant Period” means the period from the passing of the resolution at the AGM until the earliest of:

- (A) the conclusion of the next annual general meeting of the Company; or
- (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws to be held; or
- (C) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; and

“Rights Issue” means an offer of shares of the Company or offer or issue of options, warrants or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Board to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements and having regard to any legal or practical problems, restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.

AGM AND PROXY ARRANGEMENT

Notice

The AGM will be held at 10 a.m. on Thursday, 17 May 2018 at 2/F, No. 1 Hongqi Avenue, Jiangwang Town, Hanjiang District, Yangzhou City, Jiangsu Province, PRC. The Notice of the AGM has been sent to you on 29 March 2018.

Closure of books

In order to determine the eligibility of the Shareholders to attend the AGM, the register of members of the Company will be closed from Tuesday, 17 April 2018 to Thursday, 17 May 2018, both days inclusive, during which no transfer of Shares will be registered. Only Shareholders whose names appear on the register of members of the Company on Thursday, 17 May 2018 or their proxies or duly authorized 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, 16 April 2018.

LETTER FROM THE BOARD

Attendance slip and proxy form

If you are eligible and intend to attend the AGM, please complete and return the attendance slip, in accordance with the instructions printed thereon as soon as possible and in any event no later than 20 days before the date appointed for holding such meeting or any adjournment thereof.

Shareholders who intend to attend the AGM by proxy are required to complete and return the proxy form, in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Voting by poll at the AGM

Pursuant to Rule 17.47(4) of the GEM Listing Rules, the resolutions to be proposed at the general meeting must be taken by poll.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share of the Company registered in his or her name in the register of Shareholders. A Shareholder entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses 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 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 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 any statement herein or this circular misleading.

RECOMMENDATION

The Board considers that all resolutions set out in the Notice of AGM for Shareholders' consideration and approval are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favor of the resolutions set out in the Notice of AGM which are to be proposed at the AGM.

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

NOTICE OF THE 2017 ANNUAL GENERAL MEETING



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 2017 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2017 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 Thursday, 17 May 2018 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 2017;
2. To consider and approve the report of the board of supervisors of the Company for the year ended 31 December 2017;
3. To consider and approve the 2017 annual report of the Company;
4. To consider and approve the audited financial statements and auditor’s report of the Company for the year ended 31 December 2017;
5. To consider and approve the final financial report of the Company for the year ended 31 December 2017;
6. To consider and approve the annual financial budget report of the Company for the year ending 31 December 2018;
7. To consider and approve the profit distribution proposal of the Company for the year ended 31 December 2017; and
8. 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 2018.

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

To consider and approve the following matters as special resolutions of the Company:

9. **“THAT:**

- (1) in accordance with the requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “GEM Listing Rules”), the Company Law of the People’s Republic of China (“PRC”), as well as other applicable laws and regulations, in each case as amended from time to time, a general mandate be granted to the Board to exercise, for once or more than once, all the power of the Company to allot, issue and deal with Domestic Shares (as defined below) and/or H Shares (as defined below) or securities convertible into such shares or options, warrants or similar rights to subscribe for any such shares or such convertible securities (including the power to make or grant any offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers) during the Relevant Period (as defined below):

In exercising the above power, the authority of the Board to determine the specific issue plan shall include (but not limited to) the following:

- (i) to determine the amount of the Domestic Shares and/or H Shares to be allotted;
 - (ii) to determine the issue price of the new Domestic Shares and/or H Shares;
 - (iii) to determine the date(s) on which the issue of new Domestic Shares and/or H Shares is/are to be commenced and closed;
 - (iv) to determine the number of new Domestic Shares and/or H Shares, if applicable, to be issued to the existing holders of Domestic Shares and/or H Shares;
 - (v) to make or grant an offer, agreement and option necessary for the exercise of such powers; and
 - (vi) where prohibited and required by foreign laws or regulations, or by other reasons which in the opinion of the Board are appropriate, to determine that the offer of subscription for and issue of shares to holders of H Shares shall exclude shareholders residing in the PRC or the offer of subscription for and issue of shares to holders of Domestic Shares shall exclude shareholders residing outside the PRC.
- (a) upon the exercise of the powers granted to the Board above, the Board may during the Relevant Period make or grant any offers, agreements, or options which might require the exercise of such powers either during or after the expiration of the Relevant Period;

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

(b) the aggregate number of Domestic Shares and H Shares to be allotted or agreed conditionally or unconditionally to be allotted by the Board pursuant to such mandate granted to the Board above shall not exceed:

(i) 20% of the number of Domestic Shares in issue; and

(ii) 20% of the number of H Shares in issue;

in each case as of the date of the passing of this resolution, otherwise than pursuant to (i) a Right Issue (as defined below); (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association; (iii) the exercise of any right of subscription or conversion under the terms of any bonds, warrants or debentures which may be issued by the Company or any securities which are convertible into shares of the Company; or (iv) a specific authority granted by the shareholders of the Company in general meeting; and

(c) the Board shall only exercise its power under such mandate in accordance with the Company Law of the PRC, the GEM Listing Rules and other applicable laws and regulations (in each case as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities have been obtained;

and

(2) subject to the Board resolving to issue shares pursuant to subparagraph (1) of this resolution, the Board be authorised to:

(a) formulate and implement the specific issuance plan with details including but not limited to: the class and number of the shares of the Company to be issued; the pricing method and/or issue price (including the range of issue price); the start and end date of the issuance; use of proceeds; and other matters to be included in a specific issuance plan as required by the relevant laws, regulations and other regulatory documents, relevant regulatory institutions as well as the stock exchange of the place where the H Shares are listed;

(b) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation, the agreement for the engagement of any professional parties, making all necessary applications to the relevant authorities, entering into an underwriting agreement (or any other agreement) and making appropriate amendments;

(c) make all necessary filings and registrations with the relevant PRC and Hong Kong authorities; and

(d) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increase of capital with the relevant authorities in the PRC and to make such amendments to the Articles of Association as it thinks fit so as to reflect the increase and any other changes in the registered capital of the Company.”

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

For the purpose of this resolution:

“Domestic Shares” means ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are subscribed for and paid up in RMB;

“H Shares” means the ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are subscribed for and paid up in HKD and listed on the Stock Exchange on 8 May 2017;

“Relevant Period” means the period from the passing of the resolution at the AGM until the earliest of:

- (A) the conclusion of the next annual general meeting of the Company; or
- (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws to be held; or
- (C) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; and

“Rights Issue” means an offer of shares of the Company or offer or issue of options, warrants or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Board to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements and having regard to any legal or practical problems, restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company) and an offer, allotment or issue of shares by way of rights shall be construed accordingly;

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

Yangzhou, the PRC, 29 March 2018

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

Notes:

1. In order to determine the eligibility of the shareholders of the Company (the “Shareholders”) to attend the AGM, the register of members of the Company will be closed from Tuesday, 17 April 2018 to Thursday, 17 May 2018, both days inclusive, during which no transfer of shares of the Company (the “Shares”) will be registered. Only Shareholders whose names appear on the register of members of the Company on Thursday, 17 May 2018 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, 16 April 2018.
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 authorised 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 authorised 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 Friday, 27 April 2018.
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 notorially 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 recognised clearing house or its nominee) authorising 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 GEM of The Stock Exchange of Hong Kong Limited.
10. Please refer to 2017 annual report and AGM Circular of the Company for the content of the resolutions in this notice.
11. 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

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) for at least 7 days from the date of its publication and on the website of the Company (www.gltaihe.com).