
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 an exchange participant or other securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Chong Hing Bank Limited (the “Bank”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PROPOSALS RELATING TO
RE-ELECTION OF DIRECTORS, GENERAL MANDATES
TO BUY BACK SHARES AND TO ISSUE SHARES
AND
NOTICE OF 2019 ANNUAL GENERAL MEETING**

The notice convening the 2019 AGM of the Bank to be held at the 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Friday, 17 May 2019 at 11 am, at which, among other things, the proposals relating to the Buy-back Mandate and the Issue Mandate will be considered, is set out on pages 5 to 8 of this circular.

Whether or not you are able to attend the 2019 AGM, you are requested to complete and return the proxy form to the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be). Such proxy form can also be downloaded from the Bank's website (www.chbank.com) or HKEx's website (www.hkexnews.hk). Submission of a proxy form will not preclude you from attending and voting in person at the 2019 AGM (or any adjournment of such meeting) should you so wish.

26 March 2019

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DEFINITIONS

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

“2019 AGM”	the annual general meeting of the Bank to be held at the 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Friday, 17 May 2019 at 11 am, notice of which is set out on pages 5 to 8 of this circular
“Articles”	the articles of association of the Bank
“Bank”	Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Board”	the board of directors of the Bank
“Buy-back Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 5 in the notice of the 2019 AGM set out on pages 5 to 8 of this circular
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended from time to time
“Directors”	the directors of the Bank
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 6 in the notice of the 2019 AGM set out on pages 5 to 8 of this circular
“Latest Practicable Date”	18 March 2019, being the latest practicable date before the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) in the capital of the Bank
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong, as amended from time to time

LETTER FROM THE BOARD



(Incorporated in Hong Kong with limited liability)

(Stock Code: 01111)

Executive Directors

Mr ZONG Jianxin (*Deputy Chairman and Chief Executive*)

Mr LAU Wai Man (*Deputy Chief Executive*)

Non-executive Directors

Mr ZHANG Zhaoxing (*Chairman*)

Mr LI Feng

Mr CHOW Cheuk Yu Alfred BBS, JP

Ms CHEN Jing

Registered Office

Ground Floor

Chong Hing Bank Centre

24 Des Voeux Road Central

Hong Kong

Independent Non-executive Directors

Mr CHENG Yuk Wo

Mr MA Chiu Cheung Andrew

Mr LEE Ka Lun

Mr YU Lup Fat Joseph

Hong Kong, 26 March 2019

Dear Shareholders,

**PROPOSALS RELATING TO
RE-ELECTION OF DIRECTORS, GENERAL MANDATES
TO BUY BACK SHARES AND TO ISSUE SHARES
AND
NOTICE OF 2019 ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with notice of the 2019 AGM together with the relevant information regarding the resolutions for, inter alia, (i) the re-election of Directors; and (ii) the grant of the Buy-back Mandate and the Issue Mandate that are proposed for the Shareholders to consider and, if thought fit, approve at the 2019 AGM.

2. RE-ELECTION OF DIRECTORS

In accordance with Article 100 of the Articles and Code Provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, Messrs ZHANG Zhaoxing, ZONG Jianxin, LI Feng and YU Lup Fat Joseph shall retire from office by rotation and being eligible for re-election at the 2019 AGM. All those retiring Directors have offered themselves for re-election at the 2019 AGM.

LETTER FROM THE BOARD

Ms CHEN Jing was appointed Non-executive Director on 15 August 2018. In accordance with Article 84 of the Articles and Code Provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, Ms Chen shall hold her office until 2019 AGM and shall be eligible for re-election at the 2019 AGM. Ms Chen has offered herself for re-election at the 2019 AGM.

The Bank received the annual confirmation of independence provided by each Independent Non-executive Director and the Nomination Committee of the Bank has assessed the independence of all Independent Non-executive Directors and affirmed that they have met the independence criteria set out in Rule 3.13 of the Listing Rules and remain independent.

The Nomination Committee, has considered the background, skills, knowledge and experience of Messrs ZHANG Zhaoxing, ZONG Jianxin, LI Feng, YU Lup Fat Joseph and Ms CHEN Jing having regard to the Policy for Appointment/Re-appointment of Directors of the Bank and the objective criteria (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity as set out in the Bank's Board Diversity Policy, their respective contributions to the Board and commitment to their roles.

The Board considers that Messrs ZHANG Zhaoxing, ZONG Jianxin, LI Feng, YU Lup Fat Joseph and Ms CHEN Jing have extensive experience in different fields and professionals that are relevant to the Bank's business. In addition, their respective education, background, experience and practice allow them to provide valuable and relevant insights and contribute to the diversity of the Board.

Biographical details of the above-mentioned retiring Directors who are proposed to be re-elected at the 2019 AGM are set out in Appendix 1 to this circular.

3. BUY-BACK MANDATE AND ISSUE MANDATE

Pursuant to the ordinary resolutions passed by the Shareholders at the last annual general meeting of the Bank held on 18 May 2018, general and unconditional mandates were given to the Directors to (i) buy back Shares up to an aggregate number of Shares not exceeding 10% of the number of issued Shares as of the date of passing such resolution; and (ii) allot, issue and deal with additional Shares not exceeding 20% of the number of issued Shares as of the date of passing such resolution. Such general mandates will lapse at the conclusion of the 2019 AGM. Accordingly, resolutions will be proposed at the 2019 AGM to renew these mandates. On 21 August 2018, 70,126,000 Shares had been allotted and issued according to the subscription agreement entered into on 14 August 2018 at a price of HK\$14.26 per Share pursuant to the general mandate to issue Shares granted at the last annual general meeting. Save as disclosed above, no Shares have been bought back, allotted, issued or otherwise dealt with pursuant to the general mandates granted by the Shareholders at the last annual general meeting.

LETTER FROM THE BOARD

The Board takes the view that it would be in the interests of the Bank and its Shareholders as a whole if the general mandates were renewed. In this connection, the Board seeks Shareholders' approval to renew the Buy-back Mandate and the Issue Mandate subject to the restrictions described in Resolutions 5 and 6 respectively. The Board has no immediate plans to exercise the general mandates to buy back Shares or to issue additional Shares.

The purpose of the Issue Mandate is to give the Directors some flexibility to allot and issue Shares where they believe it is in the best interests of the Shareholders to do so, in particular pursuant to any capital raising or other strategic needs that may arise from time to time.

As at the Latest Practicable Date, the number of Shares in issue of the Bank was 972,526,094 Shares. On the basis that no further Shares are issued and/or bought back by the Bank following the Latest Practicable Date and up to the date of the 2019 AGM, the maximum number of Shares to be allotted and issued under the Issue Mandate will be up to 194,505,218 Shares, representing 20% of the number of Shares in issue of the Bank.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all information reasonably necessary to make an informed decision on the proposed resolutions for the granting of the Buy-back Mandate is set out in Appendix 2 to this circular.

4. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the 2019 AGM will be decided by poll at the 2019 AGM. The chairman of the 2019 AGM will exercise his right to demand a poll pursuant to Article 64 of the Articles on each of the resolutions to be proposed at the 2019 AGM except where the chairman of the 2019 AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

After closure of the 2019 AGM, the poll results will be published on the websites of HKEx and the Bank.

5. RECOMMENDATION

The Directors consider that the re-election of Directors and the grant of the Buy-back Mandate and the Issue Mandate are in the best interests of the Bank and its Shareholders as a whole, and recommend all Shareholders to vote in favour of the resolutions to be proposed at the 2019 AGM.

Yours faithfully,
On behalf of the Board
Zhang Zhaoxing
Chairman

NOTICE OF 2019 ANNUAL GENERAL MEETING



(Incorporated in Hong Kong with limited liability)

(Stock Code: 01111)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Chong Hing Bank Limited (the “Bank”) will be held at the 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Friday, 17 May 2019 at 11 am for the following purposes:

- (1) To receive the audited Consolidated Financial Statements, the Report of the Directors and the Independent Auditor’s Report for the year ended 31 December 2018.
- (2) To declare a final cash dividend of HK\$0.41 per share for the year ended 31 December 2018.
- (3)
 - (i) To re-elect Mr ZHANG Zhaoxing as non-executive director of the Bank.
 - (ii) To re-elect Mr ZONG Jianxin as executive director of the Bank.
 - (iii) To re-elect Mr LI Feng as non-executive director of the Bank.
 - (iv) To re-elect Mr YU Lup Fat Joseph as independent non-executive director of the Bank.
 - (v) To re-elect Ms CHEN Jing as non-executive director of the Bank.
- (4) To re-appoint PricewaterhouseCoopers as the Auditor of the Bank and to authorise the directors of the Bank to fix its remuneration.

As special business, to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

- (5) **THAT**
 - (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to buy back Shares (as defined below), subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - (b) the total number of Shares which may be bought back on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent of the aggregate number of Shares in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

NOTICE OF 2019 ANNUAL GENERAL MEETING

(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank;
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Bank in general meeting.

“Shares” means shares in the capital of the Bank.

(6) **THAT**

- (a) subject to paragraph (c) of this resolution and pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to allot, issue and deal with additional Shares (as defined below) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Bank during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Bank pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Bank in accordance with the Articles of Association of the Bank; (iii) an issue of Shares upon the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Bank; or (iv) the exercise of any rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or similar rights issued by the Bank or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent of the total number of Shares in the capital of the Bank in issue as at the date of passing this resolution; and

NOTICE OF 2019 ANNUAL GENERAL MEETING

(bb) conditional upon the passing of Resolution 5, the aggregate number of Shares bought back by the Bank pursuant to the exercise by the directors of the powers of the Bank in accordance with the said Resolution 5,

and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank;
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Bank in general meeting.

“Rights Issue” means an offer of Shares or an issue of options, warrants or other securities giving the right to subscribe for Shares open for a period fixed by the directors of the Bank to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any 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).

“Shares” means shares in the capital of the Bank.

- (7) **THAT**, conditional upon the passing of Resolutions 5 and 6, the directors of the Bank be and are hereby authorised to exercise the powers of the Bank referred to in paragraph (a) of Resolution 6 in respect of the aggregate number of Shares of the Bank referred to in sub-paragraph (bb) of paragraph (c) of Resolution 6.

By Order of the Board
Chong Hing Bank Limited
Lai Wing Nga
Company Secretary

Hong Kong, 26 March 2019

NOTICE OF 2019 ANNUAL GENERAL MEETING

Notes:

- (i) A shareholder entitled to attend and vote at the 2019 annual general meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy does not have to be a shareholder of the Bank. Proxy forms are to be lodged with the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time for the holding of the 2019 annual general meeting and any adjournment thereof.
- (ii) For the purpose of ascertaining the shareholders who are entitled to attend and vote at the 2019 annual general meeting, the register of members of the Bank will be closed from Friday, 10 May 2019 to Thursday, 16 May 2019 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the 2019 annual general meeting, all transfer documents, together with the relevant share certificates, must be lodged for registration with the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on Thursday, 9 May 2019.
- (iii) For the purpose of ascertaining the shareholders who are qualified to receive the final cash dividend, the register of members of the Bank will be closed from Friday, 24 May 2019 to Tuesday, 28 May 2019 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for receiving the 2018 final cash dividend, all transfer documents, together with the relevant share certificates, must be lodged for registration with the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on Thursday, 23 May 2019.
- (iv) The biographical details of the retiring directors who offer themselves for re-election at the 2019 annual general meeting and the Explanatory Statement containing information on the renewal of the general mandate for the buy-back by the Bank of its own shares are set out in the circular of which this notice forms part.
- (v) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 8 am on the date of the 2019 annual general meeting, the meeting will be postponed or adjourned. The Bank will post an announcement on the Bank's website (www.chbank.com) and Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

As of the date of this notice, the board of the directors of the Bank comprises:

- *Executive Directors*
Mr Zong Jianxin (Deputy Chairman and Chief Executive) and Mr Lau Wai Man (Deputy Chief Executive);
- *Non-executive Directors*
Mr Zhang Zhaoxing (Chairman), Mr Li Feng, Mr Chow Cheuk Yu Alfred and Ms Chen Jing; and
- *Independent Non-executive Directors*
Mr Cheng Yuk Wo, Mr Ma Chiu Cheung Andrew, Mr Lee Ka Lun and Mr Yu Lup Fat Joseph.

APPENDIX 1 – BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

Biographical details of the retiring Directors proposed to be re-elected at the 2019 AGM are set out as follows:

Mr ZHANG Zhaoxing

Aged 55, has been appointed the Chairman and a Non-executive Director of the Bank since February 2014. Mr Zhang is the Chairman of Guangzhou Yue Xiu Holdings Limited (“GZYX Holdings”) and Yue Xiu Enterprises (Holdings) limited (“YX Enterprises”). He has extensive experience in the financial management, industrial operation, capital operation and corporate culture development of large enterprises. Prior to joining YX Enterprises in 2008, Mr Zhang was the Director and General Manager of Guangzhou Radio Group Co., Ltd., Chairman and General Manager of Haihua Electronics Enterprise (China) Corporation, Chairman of Guangzhou Guangdian Real Estate Development Co., Ltd. and a Director of GRG Banking Equipment Co., Ltd. (Stock Code: 002152), a company listed on the Shenzhen Stock Exchange. He was also an Executive Director, the Vice Chairman and the Chairman (appointed since July 2013) of Yuexiu Property Company Limited (Stock Code: 00123) from July 2008 to August 2018, a company listed on the Stock Exchange, and General Manager from July 2008 to March 2014. Mr Zhang is a deputy to the 12th National People’s Congress of the People’s Republic of China.

Mr Zhang holds an Executive Master of Business Administration degree awarded by Huazhong University of Science and Technology and possesses the qualification of senior accountant in China.

As of the Latest Practicable Date, Mr Zhang does not have any interest or short position in the shares or underlying shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Zhang has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the positions disclosed above, he does not hold any position in the Bank or any of its subsidiaries and does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Mr Zhang, who has not entered into any service contract with the Bank and has no specific term of office, shall retire by rotation but shall then be eligible for re-election under the Articles. Details of Mr Zhang’s remuneration^(Note) are set out in note 42 to the consolidated financial statements in the Bank’s Annual Report 2018.

Save as disclosed above, there is no other information about Mr Zhang that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

Mr ZONG Jianxin

Aged 52, has been appointed Deputy Managing Director and Head of China Business of the Bank in May 2015 and ceased to act as Deputy Managing Director in May 2018. Mr Zong has been appointed an Executive Director, the Chief Executive and the Deputy Chairman of the Bank since September 2015, April 2017 and May 2018, respectively. He also acted as Alternate Chief Executive of the Bank from May 2016 to April 2017. Mr Zong has been appointed an Executive Director of Yuexiu Financial Holdings Limited (“Yuexiu Financial Holdings”) since November 2015 and the Deputy Chairman and the Chief Executive of Yuexiu Financial Holdings since May 2018. He acted as Alternate Chief Executive of Yuexiu Financial Holdings from June 2016 to May 2018. He has been a Director and the Chief Executive of Chong Hing Finance Limited, a wholly-owned subsidiary of the Bank, since August 2017. Mr Zong has more than 20 years of banking experience, specialising in corporate banking, international business and investment banking business. He was an Executive Director and Alternate Chief Executive of Industrial and Commercial Bank of China (Asia) Limited (“ICBC Asia”) from October 2010 to May 2015, and was also a Director of various subsidiaries of ICBC Asia from December 2010 to May 2015. Mr Zong held various positions in Industrial and Commercial Bank of China Limited, Shenzhen Branch from October 1999 to December 2009, with his last position as the Vice President of the Branch from June 2006 to December 2009.

Mr Zong holds a Master Degree in Business Administration awarded by Shanghai Jiao Tong University.

As of the Latest Practicable Date, Mr Zong does not have any interest or short position in the shares or underlying shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Zong has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the positions disclosed above, he does not hold any position in the Bank or any of its subsidiaries and does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Mr Zong, who has entered into an employment contract with the Bank without a specific term, shall retire by rotation but shall then be eligible for re-election under the Articles. Details of Mr Zong’s remuneration^(Note) are set out in note 42 to the consolidated financial statements in the Bank’s Annual Report 2018.

Save as disclosed above, there is no other information about Mr Zong that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

APPENDIX 1 – BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

Mr LI Feng

Aged 50, has been a Non-executive Director of the Bank since February 2014. Mr Li is the Chief Capital Officer of GZYY Holdings and YX Enterprises, managing the Capital Department, Customer Resource Management and Synergy Department and Information Centre of GZYY Holdings and YX Enterprises, mainly responsible for formulating and implementing major capital management plans, organizing and coordinating the investor relationship of listed companies, optimizing and upgrading the customer resource management and synergy, and facilitating and enhancing the development of information technology, etc. Mr Li is also a Non-executive Director and the Chairman of Yuexiu Financial Holdings and a Director of Guangzhou City Construction & Development Co., Ltd. He is an Executive Director of Yuexiu Property Company Limited (Stock Code: 00123) and Yuexiu Transport Infrastructure Limited (Stock Code: 01052), both of which are listed on the Stock Exchange; a Non-executive Director of Yuexiu REIT Asset Management Limited (the Manager of Yuexiu Real Estate Investment Trust (Stock Code: 00405), which is listed on the Stock Exchange); and a Director of Guangzhou Yuexiu Financial Holdings Group Co., Ltd. (formerly known as Guangzhou Friendship Group Co., Ltd.), a company listed on the Shenzhen Stock Exchange (Stock Code: 000987). Mr Li is also the President of the Association of Guangzhou Belt and Road Investment Enterprises, the Secretary-general of the Council for the Promotion of Guangzhou-Hong Kong-Macao Cooperation, a Director of the Guangzhou People's Association for Friendship with Foreign Countries and the Vice-president of the Listed Companies Council, Hong Kong Chinese Enterprises Association. Mr Li joined YX Enterprises in December 2001 and has successively held positions in GZYY Holdings and YX Enterprises, including the Assistant to General Manager, Assistant Manager of Corporate Management Department, Assistant to General Manager of Supervision and Auditing Department, Deputy General Manager of Capital Department, and Deputy General Manager of Yue Xiu International Development Limited. Mr Li is familiar with business of listed companies and the operations of capital markets. Since 2008, he has participated in all of the major capital operation projects of GZYY Holdings and YX Enterprises; before that, he was also involved in the successful listing of Yuexiu Real Estate Investment Trust, and has extensive practical experience in capital operations.

Mr Li graduated from the Faculty of Naval Architecture and Ocean Engineering of South China University of Technology majoring in Naval Architecture, and obtained a Master of Business Administration degree from Jinan University. He holds the qualification of a Senior Engineer in China and the certificate in Major Administrative Decision-Making and Argumentation (廣州市重大行政決策論證專家) conferred by the Guangzhou Municipal Government.

As of the Latest Practicable Date, Mr Li does not have any interest or short position in the shares or underlying shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Li has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the positions disclosed above, he does not hold any position in the Bank or any of its subsidiaries and does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

APPENDIX 1 – BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

Mr Li, who has not entered into any service contract with the Bank and has no specific term of office, shall retire by rotation but shall then be eligible for re-election under the Articles. Details of Mr Li's remuneration^(Note) are set out in note 42 to the consolidated financial statements in the Bank's Annual Report 2018.

Save as disclosed above, there is no other information about Mr Li that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

Mr YU Lup Fat Joseph

Aged 71, has been an Independent Non-executive Director of the Bank since August 2015. Mr Yu has been an Independent Non-executive Director of Yuexiu Financial Holdings since August 2015. He is also an Independent Non-executive Director of Yuexiu Property Company Limited (Stock Code: 00123), a company listed on the Stock Exchange. Mr Yu was the Founding President of the Hong Kong Forex Club from 1974 to 1975. Mr Yu was also the Founding Deputy Chairman of the Hong Kong Capital Markets Association and Asia Chairman of the Association of International Bond Dealers. Mr Yu has held numerous senior managerial and advisory positions and has more than 40 years of experience in investment, banking and finance.

Mr Yu holds a Master Degree in Applied Finance from Macquarie University in Australia, a Diploma of Management Studies from The University of Hong Kong and a Diploma from the Association of International Bond Dealers.

As of the Latest Practicable Date, Mr Yu does not have any interest or short position in the shares or underlying shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Yu has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the positions disclosed above, he does not hold any position in the Bank or any of its subsidiaries and does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Mr Yu, who has not entered into any service contract with the Bank and has no specific term of office, shall retire by rotation but shall then be eligible for re-election under the Articles. Details of Mr Yu's remuneration^(Note) are set out in note 42 to the consolidated financial statements in the Bank's Annual Report 2018.

Save as disclosed above, there is no other information about Mr Yu that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

APPENDIX 1 – BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

Ms CHEN Jing

Aged 47, has been a Non-executive Director of the Bank since August 2018. Ms Chen is the Chief Financial Officer and General Manager of the Finance Department of GZYX Holdings and YX Enterprises. Ms Chen is an Executive Director and Chief Financial Officer of Yuexiu Property Company Limited (Stock Code: 00123) and an Executive Director of Yuexiu Transport Infrastructure Limited (Stock Code: 01052). She is also the Chairman of the Board of Directors of Yue Xiu Securities Holdings Limited and a Non-executive Director of Yuexiu Financial Holdings Limited (the immediate holding company of the Bank).

Ms Chen joined GZYX Holdings in July 2004 and was the Deputy General Manager of the Supervisory (Audit) Office and the General Manager of the Audit Department. She has participated in building a system to monitor the major risks of GZYX Holdings. Ms Chen is well versed in risk management and internal control management of listed companies and has extensive experience in establishing a sound system for risk management and internal control for enterprises. Prior to joining GZYX Holdings, she worked in the School of Business of Hubei University and Hisense Kelon Electrical Holdings Company Limited (formerly known as “Guangdong Kelon Electrical Holdings Company Limited”).

Ms Chen graduated from the Xi’an Jiaotong University with a major in auditing, and holds a Master of Business Administration Degree from the School of Management and Economics of the Beijing Institute of Technology and the qualifications of auditor and certified internal auditor.

As of the Latest Practicable Date, Ms Chen does not have any interest or short position in the shares or underlying shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Ms Chen has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the positions disclosed above, she does not hold any position in the Bank or any of its subsidiaries and does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Ms Chen, who has not entered into any service contract with the Bank and has no specific term of office, shall retire by rotation but shall then be eligible for re-election under the Articles. Details of Ms Chen’s remuneration^(Note) are set out in note 42 to the consolidated financial statements in the Bank’s Annual Report 2018.

Save as disclosed above, there is no other information about Ms Chen that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

(Note): The remuneration was determined by the remuneration committee of the Bank with reference to the duties as a director of the Bank and the current market situation. Some of the directors received additional remuneration for their duties as chairmen or members of the committees of the Bank.

APPENDIX 2 – EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

This Appendix serves as an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Buy-back Mandate and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 972,526,094 Shares. Subject to the passing of the resolution in relation to the Buy-back Mandate and on the basis that no further Shares are issued and/or bought back by the Bank following the Latest Practicable Date and up to the date of the 2019 AGM, exercise in full of the Buy-back Mandate would result in up to 97,252,609 Shares being bought back by the Bank during the period from the date of passing of Resolution 5 in the notice of the 2019 AGM set out on pages 5 to 8 of this circular up to whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank; or
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by law to be held; or
- (iii) the revocation or variation of the authority given under Resolution 5 by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR THE BUY-BACK

The Directors believe that it is in the best interests of the Bank and its Shareholders as a whole to have a general authority from the Shareholders to enable the Bank to buy back the Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Bank's net asset value and/or its earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Bank and the Shareholders as a whole.

3. FUNDING OF BUY-BACK

In buying back Shares, the Bank may only apply funds legally available for such purpose in accordance with its Articles, the applicable laws of Hong Kong and the Listing Rules.

There might be a material adverse impact on the working capital or gearing position of the Bank (as compared with the position disclosed in the Annual Report for the year ended 31 December 2018) in the event that the Buy-back Mandate is exercised in full at any time. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Bank or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Bank.

APPENDIX 2 – EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

4. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Bank if the Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

If, as a result of any buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Bank increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Bank and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

Based on the disclosure made to the Bank under Part XV of the Securities and Futures Ordinance, as at the Latest Practicable Date, Yuexiu Financial Holdings is interested in 729,394,500 Shares, representing 75 per cent of the number of Shares in issue of the Bank.

If the Directors were to exercise the Buy-back Mandate in full, the percentage shareholding of Yuexiu Financial Holdings would be increased from 75 per cent to approximately 83.33 per cent of the number of Shares in issue of the Bank. Such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors, however, have no present intention of exercising the Buy-back Mandate in such a way (if it were to be exercised at all) that would result in the public shareholding falling below the minimum percentage prescribed under the Listing Rules.

No core connected persons (as defined in the Listing Rules) have notified the Bank that they have a present intention to sell any Shares to the Bank, or have undertaken not to do so, if the Buy-back Mandate is approved by the Shareholders.

5. SHARE BUY-BACK MADE BY THE BANK

No buy-back has been made by the Bank of its Shares in the six months before the Latest Practicable Date.

APPENDIX 2 – EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before and up to the Latest Practicable Date were as follows:

	Price per share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	15.92	15.28
May	16.02	14.82
June	15.56	14.70
July	15.04	14.40
August	14.74	14.00
September	14.48	13.96
October	14.26	13.04
November	14.02	13.20
December	13.94	13.00
2019		
January	13.92	13.04
February	14.48	13.38
March (<i>up to and including the Latest Practicable Date</i>)	14.50	14.34