

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Everbright Securities Company Limited
光大證券股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6178)

Notice of 2018 Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (the “**AGM**”) of Everbright Securities Company Limited (the “**Company**”) will be held at 2:30 p.m. on Tuesday, May 28, 2019 at Jing'an International Plaza, No. 1508 Xinzha Road, Jing'an District, Shanghai, the PRC, to consider and, if thought fit, approve the following resolutions.

Ordinary Resolutions

1. To consider and approve the 2018 Report of the Board of Directors.
2. To consider and approve the 2018 Report of the Supervisory Committee.
3. To consider and approve the 2018 Annual Report and its summary.
4. To consider and approve the 2018 Profit Distribution Plan.
5. To consider and approve the Proposal of Expected Ordinary Related Party/Connected Transactions in 2019.
6. To consider and approve the Proposal of Proprietary Trading Businesses Scale in 2019.

To Hear the Relevant Report

7. To hear the Independent Directors' Annual Work Report for 2018.

By order of the Board
Everbright Securities Company Limited
Yan Jun
Executive Director

Shanghai, the PRC
March 28, 2019

As at the date of this announcement, the Board of the Company comprises Mr. Xue Feng (Chairman, Executive Director), Mr. Yan Jun (Vice-chairman-elect, Executive Director), Mr. Ju Hao (Non-executive Director), Mr. Song Bingfang (Non-executive Director), Mr. Yin Lianchen (Non-executive Director), Mr. Chan Ming Kin (Non-executive Director), Mr. Xue Keqing (Non-executive Director), Mr. Meng Xiangkai (Non-executive Director), Mr. Xu Jingchang (Independent Non-executive Director), Mr. Xiong Yan (Independent Non-executive Director), Mr. Li Zheping (Independent Non-executive Director), Mr. Au Sing Kun (Independent Non-executive Director) and Mr. Wang Yong (Independent Non-executive Director).

Notes:

1. In accordance with the provisions of the Rules of the Shareholders' General Meeting of Listed Companies formulated by the China Securities Regulatory Commission, independent Directors shall present a work report at the AGM. The report will be submitted to the AGM, but Shareholders need not to make a resolution on it. The work report by independent non-executive Directors for 2018 is set out in the circular of the Company's AGM for inspection by Shareholders.

2. Eligibility for Attending the AGM and Closure of Register of Members for H Shares

The H Share register of members of the Company will be closed for the purpose of determining H Shareholders' entitlement to attend the AGM from Sunday, April 28, 2019 to Tuesday, May 28, 2019 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the AGM, H Shareholders should ensure that all share certificates, accompanied with transfer documents, are lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, April 26, 2019 to complete registration. The H Shareholders of the Company whose names appear on the register of Computershare Hong Kong Investor Services Limited after business hours on Friday, April 26, 2019 are entitled to attend the AGM.

The Company will announce separately on the Shanghai Stock Exchange for details of A Shareholders' eligibility for attending the AGM.

3. Proxy

- (1) Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- (2) The instrument appointing a proxy must be in writing by the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or signed by a director or a duly authorized attorney.

To be valid, for H Shareholders, the proxy form or other documents of authorization must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 24 hours before the time fixed for the AGM (i.e. at 2:30 p.m. on Monday, May 27, 2019).

Completion and return of the proxy form will not preclude the Shareholders from attending and voting at the AGM or at any adjourned meeting if they so wish.

4. Reply Slip

Shareholders (for H Shareholders) who intend to attend and vote in the AGM in person or by proxy are required to return the completed and signed reply slip to the Company's H share registrar on or before Wednesday, May 8, 2019. Reply slip may be sent to the Company's H share registrar, Computershare Hong Kong Investor Services Limited (located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) in person, by mail or by fax (for H Shareholders).

Completion and return of the reply slip does not affect the right of Shareholders entitled to attend and vote at the AGM. However, if Shareholders have not returned their reply slips, and the number of shares entitled to vote as held by the Shareholders indicating in the reply slips to attend the AGM account less than half of the total number of shares of the Company entitled to vote at the AGM, the Company will, in accordance with the Articles of Association, inform the Shareholders again within 5 days of the matters to be considered as well as the place of such meeting, date and time by way of an announcement. After notice by such announcement, the Company may hold such general meeting.

5. Voting by Poll

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all the resolutions to be proposed at the AGM. Results of the poll voting will be posted on the website of the Company at www.ebscn.com and on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM.

6. Distribution of final dividend of H Shares

The Board of the Company has proposed to pay the final cash dividend of RMB1.00 (tax inclusive) for every 10 shares for the year ended December 31, 2018 to all A Shareholders and H Shareholders, which is expected to be RMB461,078,763.90 (tax inclusive), on the basis of a total share capital of 4,610,787,639 A Shares and H Shares in issue as of December 31, 2018. Cash dividend is denominated and declared in RMB, and paid to A Shareholders in RMB and to H Shareholders in HKD. The actual distribution amount in HKD would be calculated at the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China for five business days prior to the 2018 AGM. If the Company's proposal of the proposed profit distribution of 2018 is approved by the AGM, the cash dividend will be distributed within two months from the date of the AGM.

The Company will publish separate announcement on the record date and book closure period for the payment of the dividends to the H Shareholders, as well as the record date and the date for the payment of the dividends to A Shareholders.

7. Tax Matters

Pursuant to the Notice of the PRC State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the dividend received by the overseas resident individual shareholders from the stocks issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax in according to the items of "interests, dividend and bonus income", which shall be withheld by the withholding agents in according to the relevant laws. The overseas resident individual shareholders who hold the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China or the tax arrangements between Mainland China and Hong Kong (Macau). The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividend, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividend is not equal to 10%, the following provisions shall apply: (1) for citizens from countries under tax agreements to be entitled to tax rates lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, over withheld tax amounts will be refunded; (2) for citizens from countries under tax agreements to be entitled to tax rates higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividend (bonus), and are not obligated to file an application; (3) for citizens from countries without tax agreements or are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividend. Pursuant to the Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to Holders of H Shares Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall be subject to the enterprise income tax withheld at a uniform rate of 10%.

Withholding of income tax on H Shareholders of Hong Kong Stock Connect

In accordance with the relevant provisions of the Notification on Relevant Tax Policies for Pilot Operation of Transaction Interconnection Mechanism of Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81), which has been implemented since November 17, 2014:

- For the dividend income obtained by mainland individual investors from investment in H Shares of the Company through HK-Shanghai Stock Connect, the Company shall withhold the income tax as per the 20% tax rate. For the dividend income obtained by mainland securities investment funds from investment in H Shares of the Company through HK-Shanghai Stock Connect, the income tax shall be levied in accordance with the above provisions; and
- For the dividend income obtained by mainland enterprise investors from investment in H Shares of the Company through HK-Shanghai Stock Connect, the income tax on the mainland enterprises shall not be withheld by the Company, and the tax payable shall be declared and paid by the mainland enterprises.

In accordance with the Notification on Relevant Tax Policies for Pilot Operation of Transaction Interconnection Mechanism of Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) put into force on December 5, 2016:

- For the dividend income obtained by mainland individual investors from investment in H Shares of the Company through HK-Shenzhen Stock Connect, the Company shall withhold the income tax as per the 20% tax rate. For the dividend income obtained by mainland securities investment funds from investment in H Shares of the Company through HK-Shenzhen Stock Connect, the income tax shall be levied in accordance with the above provisions; and
- For the dividend income obtained by mainland enterprise investors from investment in H Shares of the Company through HK-Shenzhen Stock Connect, the income tax on the mainland enterprises shall not be withheld by the Company, and the tax payable shall be declared and paid by the mainland enterprises.

If the H Shareholders of the Company have any questions regarding the above arrangements, they may consult their tax advisers on the tax implications in Mainland China, Hong Kong and other countries (regions) from owning and disposing of the H Shares of the Company.

8. Others

- (1) For joint Shareholders, a vote by a preferred joint Shareholder, whether in person or by a proxy, is to be accepted as representing the remaining joint Shareholders if the joint Shareholders present in person or by proxy are more than one. In regard thereof, the priority of the Shareholders shall be determined by the rankings of the relevant joint Shareholders in the register of members of the Company in relation to the relevant Shares.
- (2) The duration of the AGM is expected not to exceed half a day. All Shareholders who attend the AGM shall arrange for their own transportation and accommodation at their own expenses.
- (3) The address of Computershare Hong Kong Investor Services Limited is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (Telephone: (852) 2862 8555, Fax: (852) 2865 0990).
- (4) The location of the Company's Board office is at No. 1508 Xinzha Road, Jing'an District, Shanghai, the PRC (Postcode: 200040, Telephone: (86) 21 2216 9914, Fax: (86) 21 2216 9964).