



PASSING ON THE LOVE WITH CARING, UNIQUE CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Everbright draws on its expertise and resources to create deep, meaningful relationships and a sustainable environment with shareholders, business partners, employees and communities.

CORPORATE SOCIAL RESPONSIBILITY REPORT

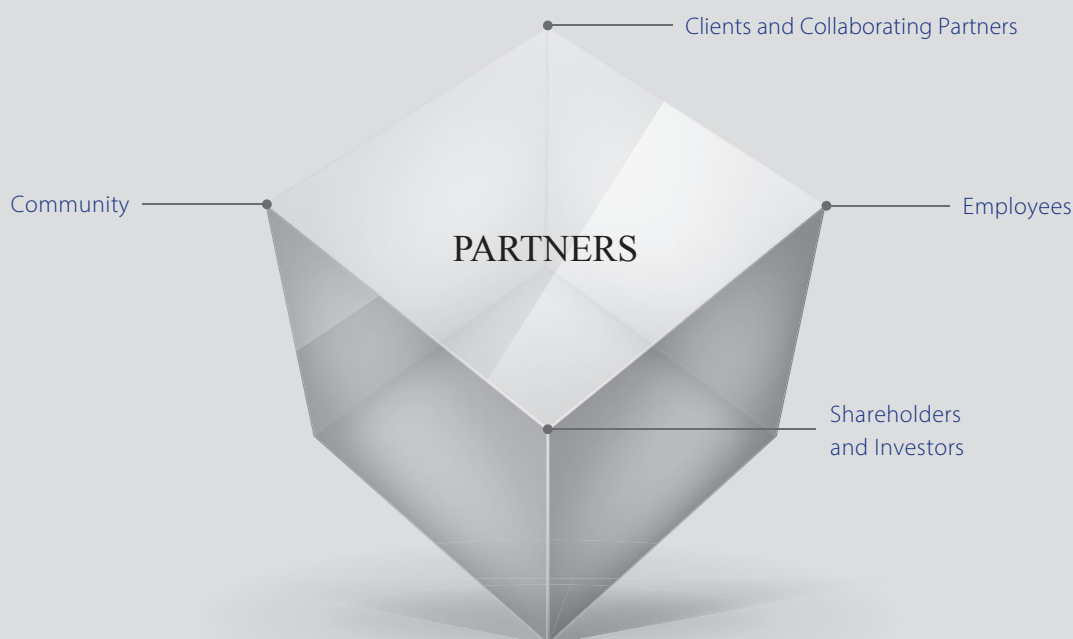


Founded in 1997, based in Hong Kong and operating in close partnership with mainland China, CEL has ridden years of continued growth to become a leading cross-border investment and asset management platform among Chinese-funded companies. Despite considerable volatility in the international and domestic financial markets in recent years, CEL has capitalised on a solid foundation and visionary strategies to maintain stable operation and achieve strong growth in AUM, expanding its reach overseas beyond Hong Kong and the Mainland. During this time the Group has driven maximum benefits and forged long-term relationships based on mutual trust with various stakeholders, including shareholders, investors, clients, business partners and employees. CEL is also committed to rebating the society leveraging its corporate strengths. The Group established the China Everbright Charitable Foundation in 2008, which has supported a number of charity initiatives since the global financial crisis.

These efforts have been recognised by the Hong Kong Council of Social Service, which has presented the Foundation and the Group with “Caring Company” and “Caring Organisation” awards for five consecutive years for achievements in corporate social responsibility.



LONG-TERM TRUSTING PARTNERSHIP WITH FOUR GROUPS OF STAKEHOLDERS



Clients and Business Partners

CEL's cross-border macro asset management platform connects the thriving mainland China and Hong Kong markets, both of which possess huge potential. In recent years the Group has also actively sought overseas investment and cooperation opportunities. In order to ensure confidence among fund investors and business partners, the Group employs a proven mechanism in risk management, protecting mutual capital and benefits, and personnel retention. CEL seeks to establish a long term and trusting relationship with clients and partners.

Before seeking external funding, the Group invests a certain amount of seed capital in each fund to demonstrate its confidence and commitment. During this capital commitment period, investment teams are required to invest a certain amount of the Group's proprietary funding as risk capital, ensuring the same level of interest from both the fund management teams and investors. An independent investment assessment committee (or similar entity) is also established for each fund to maintain sound operations and protect the interests of external investors. When funds are investing in or exiting from specific projects, the interest stake held by the fund management team is also in line with the holdings of other investors. This ensures that the fund management teams exercise a prudent, pragmatic approach underscored by proper risk awareness when making investment decisions.



In the last decade, the financial sector was heavily impacted by market turbulence from the global financial crisis. The collapse of large financial institutions led to a review of fundamental thinking about the equilibrium between rapid business expansion and risk control. By leveraging its sound corporate governance and risk management system (please refer to the Corporate Governance and Risk Management Reports for details), the Group has managed to achieve fast yet steady growth in a notably bearish investment environment, while capturing opportunities by expanding its business horizons as markets recovered. In order to enhance communications and interactions with fund investors and business partners, the Group held its

first Everbright Investment Conference in 2012, which received positive feedback from attendees as well as CEL's various business units. The conference has been held every year since then, attracted more than 1,300 attendees totally including institutional investors and business partners from around the world. Attendees learn about the latest developments in CEL's macro asset management platform, the Group's strategies and prospects, its fund operations, and its business developments and advantages. They also take advantage of the opportunity to explore synergistic collaborations across sectors and areas. Since the 2014 edition, CEL has also invited key journalists from Hong Kong and the Mainland, enabling the wider business and financial community to learn the latest news about the Group through leading media outlets. CEL held its 2015 investment conference in Chongqing, where in addition to panel discussions and talks, attendees could also visit with a Chongqing-based property study group to learn about the Group's high-end properties in Chongqing as well as its developments and competitive edge in the real estate sector.

Shareholders and Investors

To enhance corporate transparency, the Group places significant emphasis on maintaining strong communication channels and close contact with shareholders and investors. In 2015, the Group participated in more than 25 investor forums and roadshows organised or undertaken by leading financial institutions and received over 80 delegations. In addition, the Group held meetings with nearly 400 institutional investors and analysts from across the globe. Highlights of these meetings are available on the "Investor Relations" section of the Group's website. In 2015, 6 well-known financial institutions generated 25 analyst reports on the Group. During the year the Group also undertook a number of reviews of its shareholding structure by examining shareholding volume and changes, helping it conduct investor relations more efficiently. The Group also aggregated investor relations reports for the Board's review on regular basis. These included external communications, investor feedback and changes in share price. CEL's shareholding pattern allows the Board to better understand the investment community's views and suggestions regarding CEL's development strategies.



For the ease and convenience of investors and shareholders, CEL has continuously optimised and upgraded its website (www.everbright165.com) since 2013. In addition to giving the site a clear, compelling design and layout, the Group also enriches the content of the "Investor Relations" section by providing practical tools such as interactive financial data and stock charts. Regarding disclosure of information, visitors can keep abreast of the latest developments at CEL by subscribing to receive alerts to new announcements, circulars and press releases. In 2014, the Group upgraded its website's back-end configuration, strengthening its login function for funds to allow closer communication and information-sharing between fund management teams, clients and investors. In view of the growing popularity of mobile communication apps, CEL launched its WeChat public account in 2015 (WeChat ID: chinaeverbright) in 2015, providing another convenient, diversified information channel for stakeholders and the public.

In addition, the Group's management communicates directly with shareholders at the annual general meeting. The Group also holds press conferences and analyst briefings twice a year, after its interim and annual results are published. These presentations are recorded and made available as webcasts on CEL's website for viewing at any time by the public.

Employees

CEL sees its employees as partners and considers them its most important asset. The Group recruits top-notch talents from the financial sector and builds its distinguished management team on the principle “Create Value to Share Value”. Employees are able to share the fruits of the Group’s success, creating economic value and enhancing work efficiency.



In terms of strengthening individual competencies, CEL provides a comprehensive package for its employees’ career development. This includes study allowances, paid study leave, and regular training programmes to boost skill sets and team spirit. In 2015, the Group organised 15 internal training sessions for staff, covering business ethnics, taxation, risks, macroeconomic trends, soft skills and other topics.

The Group also arranges exchange visits for staff every year so that employees in Hong Kong and the Mainland have a chance to enrich their experiences and exchange views. In 2013, for example, CEL held an Outward Bound event in Qingdao for middle and senior management. China-based employees are provided training exchanges opportunities in Hong Kong. In 2014 and 2015, the Group held exchange visits and training activities in Shanghai and Qingdao for employees from Hong Kong to boost their knowledge of Mainland businesses, and to enhance communication and cooperation between teams. In line with its growing overseas activities, the Group organised an overseas M&A exchange visit in Chicago for management and M&A-related employees in 2015. In addition, the Group held an “Investment Salon” where internal specialists were invited to give speeches on financial investment and help colleagues better understand the scope of investments in different industries.

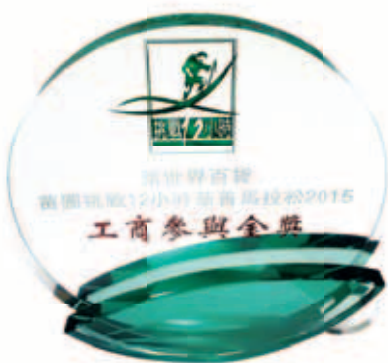


New staff members receive a clear overview of the Group through regular training sessions on human resources, brand culture and risk management systems. The Group also arranges meetings to facilitate conversation between senior management and new staff, which not only enables better understanding of employees and their views, but also enhances contact and interaction. In addition, the Group organises an annual gathering of employees and their families to promote work-life balance.



CEL places appreciable emphasis on maintaining productive information exchange and interaction with its employees via various formats. The Group uses an internal email system, "Partner Express", as the vehicle for publishing company news and real-time information. Institutional investors and media receive relevant content in the form of presentations and press releases. The "Partner", CEL's bimonthly electronic periodical, integrates key business information, branding development and scenes of employee life together in one handy publication, which is disseminated via online media to keep colleagues in the Mainland and Hong Kong in close contact. The Group also publishes hard copies of the "Partner" by consolidating all the experiences of the past year into a single book, which accommodate the varied reading habits of employees. In order to offer more convenience for employees and improve work efficiency, CEL is also developing an online collaborative Office Automation Platform with comprehensive functions and mobile apps. It is the Group's wish that this platform will allow employees to access company information and conduct administrative work from anywhere, whether they are in or out of the office.

In 2012, CEL set up a volunteer team that gives staff the chance to contribute to society by participating in charitable initiatives. This programme also serves to further enhance camaraderie among employees. Over the past few years, CEL's volunteer team has visited a nursing home, a special child care centre and a shelter workshop, and it also participated in the Everbright Project. These activities were well received and supported by colleagues.



CEL management and employees have entered teams in the "Sowers Action Challenging – Charity Hiking" for three consecutive years. In 2015, the Group won the "Gold Award in Corporate Participation" thanks to its employees' enthusiastic participation. CEL will continue to organise regular volunteer activities so that it can continue to grow in its service to the community.

To promote the health and wellness of its staff, the Group also organises a variety of sports activities to help employees achieve better work-life balance.



The overall effect of these staff initiatives – including timely information-sharing, diverse company activities, staff welfare programmes and incentives – is to help build a closer partnership with employees. These efforts have also resulted in meaningful contributions to the Group's business success in terms of establishing its own fund teams, and retaining and recruiting the best talent.

In 2015, the Hong Kong Productivity Council and the Promoting Happiness Index Foundation jointly awarded a "Happy Company" label to CEL in recognition of its commitment to building a caring corporate culture and respecting staff quality of life. This was evidenced by the Group's conscientious efforts to create a pleasant working environment for employees. Moreover, Sing Tao News Corporation's Job Market also conferred "the Employer of Choice Award 2015" on CEL in recognition of the Group's excellent talent recruitment strategies and schemes, and its outstanding performance in human resources.



Community

As a CSR-committed company, CEL is a strong supporter of disaster and poverty relief. The Group also contributes long-term support to many social service projects, most of which are unique, sustainable in nature, and benefit those who are often overlooked in society and given limited resources and support. For example, in 2009, before many of the social problems faced by the middle class emerged, CEL sponsored the Caritas Family Crises Support Centre and jointly launched "The Everbright Project" to provide community services specifically targeting Hong Kong's middle class. The Group then lent its full support to Social Workers Across Borders in 2012-2014, and it established "Project Companion – Professional Social Workers in Greater China Scheme" ("Project Companion") with the aim of training professional social workers and providing post-disaster counselling in the Mainland. CEL has sponsored the Hong Kong Federation of Education Workers since 2013, and it also launched the "Everbright Teachers' Heritage Discovery Tour", a programme providing Hong Kong educators with the opportunity to visit various cities in Jiangsu Province. After the visit, teachers talked to students about what they saw and heard during their travels, enriching the students' National Education curriculum and deepening their love for their country. The middle class, social workers and teachers share a common trait: They are all individuals who work hard and make huge contributions to society, yet they are often overlooked. The Group hopes to introduce more programmes that will benefit Hong Kong communities and Mainland development through important works by its charitable foundation.



“The Everbright Project”: A community service programme targeting the middle class in Hong Kong

In recent years, the fluctuating Hong Kong economy has put the middle class, the backbone of the society, under significant stress. This pressure stems from work, social life and rising property prices. The middle class often does not benefit from any government policies, which are focused on the grassroots. And unlike in the golden age of the 90s, it is more difficult today for one to work towards affluence. This has caused many middle-class people to develop emotional, confidence, economic, work-related and family issues.

In 2009, CEL formed a partnership with the Caritas Family Crises Support Centre to launch the Everbright Project, the first-ever community service program targeting the middle class in Hong Kong. The project fosters the idea of positive mentality and life planning to help middle-class individuals realise their full potential at various stages of life – in career development, interpersonal relationships, family planning, retirement planning and lifestyle change after retirement. It also promotes a balanced, happy and healthy lifestyle through the Group’s “Making Life Simple” philosophy.

Since its launch six years ago, the Everbright Project has organised several major seminars and nearly 700 service activities. These activities have proved the popularity of the Project; by the end of 2015, they had drawn the participation of over 12,000 people, showing high demand among the middle class. In addition, the Everbright Project has held more than 150 corporate workshops that help companies and their employees build harmonious interpersonal relationships and achieve sound work-life balance. The Everbright Project also invited renowned local academics to carry out several comprehensive studies on the stress levels of the middle class in Hong Kong, later issuing a report and hosting a press conference that generated wide media coverage of the survey results. The survey report was also submitted to relevant Government departments, which made the Everbright Project not just a service initiative, but also a communication platform for the Government and the middle class. As at the end of 2015, the Everbright Project had more than 2,900 registered members and nearly 400 registered volunteers. The Everbright Project’s services have benefited over 25,000 people, and it is Hong Kong’s largest middle class service programme.

In 2014, Caritas awarded the “5 Years Corporate Partnership with Caritas Award” to the China Everbright Charitable Foundation in recognition of CEL’s exclusive sponsorship of “The Everbright Project” to promote greater awareness of the contributions of Hong Kong’s middle class.



“Everbright Teachers’ Heritage Discovery Tour”: A programme for Hong Kong teachers to visit the Mainland

In addition to social welfare services, the China Everbright Charitable Foundation also focuses on education. At the end of 2012, CEL collaborated with the Hong Kong Federation of Education Workers to jointly launch the “Everbright Teachers’ Heritage Discovery Tour”, a national education programme providing Hong Kong teachers with a chance to visit heritage sites and understand new



development in mainland China. Focusing on a different cultural topic every year, the programme brings 40 to 50 Hong Kong teachers to the Mainland to exchange ideas with local educators and visit ancient historic sites, which helps enhance the teachers’ knowledge of Chinese history and culture. In 2013, 2014 and 2015, participating teachers went to Nanjing, Jiangyin, Taicang, Wuxi, Suzhou and other cities to develop a better understanding of local culture. After these visits, participating teachers are required to prepare a lesson plan and share their experiences with students.

“Lifeline Express”, a mobile eye-train hospital providing free surgical operations for cataract patients in remote, poverty-stricken areas in the Mainland

Over the past couple of years, CEL has formed a close partnership with Lifeline Express, becoming one of the largest funding sources helping the charity treat cataract patients in poverty-stricken areas in the Mainland. CEL has served as the title sponsor of Lifeline Express’ annual fundraising dinner for four consecutive years. It has made substantial donations in support of the Lifeline Express Charity Golf Day fund raising event. In 2014 and 2015, the Group arranged for a parent-child group to visit the eyetrain hospital and cataract patients in Shandong and Heilongjiang, providing help for paramedics and bringing love to patients.





Other community projects and donations

Over the past few years, CEL has supported disaster relief efforts following the Sichuan and Qinghai earthquakes, victims of the typhoons in Taiwan, and people living in impoverished areas in the Mainland. The Group has also helped the Central Conservatory of Hong Kong Foundation and the Jackie Chan Charitable Foundation organise fundraising events.



In 2015, CEL funded numerous community activities helping children and youth. These included sponsorships of the Hong Kong Teenager Artistic Development Programme and the "Raymond Young and Friends Charity Concert" hosted by the Young Artists Development Foundation. The Group organised a fund raiser for the Young Artists Development Foundation to provide professional painting training for Hong Kong teenagers with financial difficulties

and little access to quality education. In addition, it sponsored the "YO! Dance it Up" and raised money for Youth Outreach, which is committed to turning at-risk teenagers into positive teenagers. It also worked with Shanghai Entertainment Team Media Group to sponsor "Art Class", a programme that aims to promote public appreciation of the arts and culture, particularly by educating juveniles in a fun, lively way. During the year CEL also made donations to the Guangxi province Baise City Education Fund to help impoverished students in the area, and it funded the "Daddy Daughter Ball" hosted by The Child Development Centre to help children with special educational needs in Hong Kong. Since its establishment, the Everbright Charitable Fund's donations to all these charitable activities have exceeded HK\$20 million.

Contributing to socioeconomic and cultural activities

CEL is deeply involved in promoting socioeconomic and cultural activities through the knowledge and influence of the professional sector. The Group's management holds a number of honourable positions in the financial industry, including Honorary Chairman of the Chinese Financial Association of Hong Kong; Vice Chairman of the Chinese Securities Association of Hong Kong; and standing member of the China Mergers and Acquisitions Association. Since 2013, Mr. Chen Shuang, Chief Executive Officer of the Group, has served as a non-official member of the Financial Services Development Council of Hong Kong (FSDC), which has made many practical recommendations to the Hong Kong Government in relation to the internationalisation of the renminbi and development of the Hong Kong financial market. In 2015, Mr. Chen was reappointed by the FSDC. In April 2015, he together with other members of the FSDC's Mainland Opportunities Committee released a report entitled "Chinese Enterprises 'Going Global': Opportunities and Hong Kong's Policy Responses". This report analysed the business opportunities for Hong Kong resulting from the growing trend of Chinese enterprises going global and put forward 16 suggestions for policy reform to the HKSAR government.

Environmental Protection and Energy Conservancy

Since 2006, CEL has been investing in environmental protection and renewable energy enterprises including Goldwind Science and Technology Co., Ltd, CECEP Wind Power Corporation Co., Limited, and Beijing Jingneng Clean Energy Co., Limited. The Group also supports the overall development of the environmental protection sector. In addition, the Group has instituted numerous energy-saving and conservation initiatives throughout its operations. For example, employees are advised to switch off their computers and monitors after work and make photocopies on recycled paper. CEL's annual report is printed on FSC-certified paper. Also, the Group's online collaborative Office Automation Platform and mobile app now cover various procedures for daily administration, management and approval, which has greatly promoted the paperless office concept. The Board of Directors and Board committees are now considering having "paperless meetings" to support environmental protection.