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# 中国农业银行

AGRICULTURAL BANK OF CHINA

**AGRICULTURAL BANK OF CHINA LIMITED**

**中國農業銀行股份有限公司**

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

**(Stock Code: 1288)**

## **ANNOUNCEMENT ON THE AUDIT RESULTS ISSUED BY THE NATIONAL AUDIT OFFICE OF THE PEOPLE'S REPUBLIC OF CHINA**

In 2017, the National Audit Office of the People's Republic of China (the "NAO") conducted an audit on the assets, liabilities and profits and losses of Agricultural Bank of China Limited (the "Bank") for 2016, with an extended audit and retrospective audit on the relevant matters (the "NAO Audit").

The NAO Audit result revealed that the Bank conscientiously implemented the central government's economic and financial guidelines and policies, and vigorously increased credit support to significant strategies and projects, innovated credit business in respect of the small- and micro-enterprises and the agriculture, and served the real economy. The Bank promoted the reform of operation mechanism, fully implemented the reform of the County Areas Banking Division. The Bank also enhanced the internal control and risk management, revised and improved internal control systems, and strengthened the prevention and control of cases of violation as well as the accountability and rectification. The NAO Audit result also identified that the Bank had certain weaknesses in business operations, corporate governance and internal management, risk management and control, as well as the implementation of the requirements of business integrity.

The Bank paid great attention to the NAO Audit, and conscientiously rectified the issues identified by the NAO Audit. During the NAO Audit, the Bank adhered to the principle of "immediate rectification upon identification" and adopted rectification measures immediately once any issue was identified by the NAO Audit. Rectification of some issues had completed upon the NAO finished the on-site audit. After the NAO audit, the Bank convened a number of specialized meetings to deploy overall rectification work and formulate rectification work plans, so as to effectively implement the rectification work.

As at the date of this announcement, 98.48% of the issues identified by the NAO Audit have been rectified. The Bank's financial activities in relation to revenues and expenditures were regulated and the relevant accounts were adjusted. The Bank adopted risk prevention and mitigation measures for the loans involved to maintain the risks on loans under control, and held accountable those responsible for the issues identified by the NAO Audit. As to the issues that are under rectification, the Bank will follow up on them, reinforce and promote rectification until all of them have been completely rectified. For the issues identified by the NAO Audit, based on its optimization of the relevant rules and procedures and strengthening comprehensive management at the earlier stage, the Bank will further improve the implementation of rules and policies analogically, regulate the business operations, promote the concept of compliance in operations, and strengthened the risk management and control, and enhance the business integrity.

The issues identified by the NAO Audit have no impact on the Bank's overall operation performance and the announced financial statements.

The audit results conducted by the NAO Audit on the assets, liabilities and profits and losses of the Bank for 2016 are detailed in the announcement of the relevant audit results announced by the NAO Audit on its official website. Investors are reminded to pay attention to such announcement.

By Order of the Board  
**Agricultural Bank of China Limited**  
**ZHOU Wanfu**  
*Company Secretary*

Beijing, PRC  
20 June 2018

*As at the date of this announcement, our executive directors are Mr. ZHOU Mubing, Mr. ZHAO Huan, Mr. WANG Wei and Ms. GUO Ningning; our non-executive directors are Mr. XU Jiandong, Mr. CHEN Jianbo, Mr. HU Xiaohui, Mr. LIAO Luming and Mr. LI Qiyun; and our independent non-executive directors are Mr. WEN Tiejun, Mr. Francis YUEN Tin-fan, Ms. XIAO Xing, Mr. WANG Xinxin and Mr. HUANG Zhenzhong.*