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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Everbright Bank Company Limited, you should at once hand this circular to the purchaser or the 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 the transferee.

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中國光大銀行股份有限公司

**China Everbright Bank Company Limited**

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

**(Stock code: 6818)**

**2018 WORK REPORT OF THE BOARD OF DIRECTORS  
2018 WORK REPORT OF THE BOARD OF SUPERVISORS  
BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2019  
AUDITED ACCOUNTS REPORT FOR THE YEAR 2018  
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018  
REMUNERATION OF THE DIRECTORS FOR THE YEAR 2018  
REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2018  
ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS  
REPORT OF USE OF PROCEEDS FROM PREVIOUS OFFERING  
AMENDMENTS TO THE PLAN OF AUTHORISATION BY SHAREHOLDERS'  
GENERAL MEETING TO THE BOARD OF DIRECTORS  
ISSUANCE OF NON-FIXED TERM CAPITAL BONDS  
AND  
NOTICE OF THE 2018 ANNUAL GENERAL MEETING**

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The letter from the Board is set out on pages 3 to 16 of this circular.

Notice convening the AGM to be held at the conference room of 3rd Floor, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC on Thursday, 30 May 2019 at 9:30 a.m., together with the relevant reply slip and proxy form, have been sent to the Shareholders on Friday, 12 April 2019.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the relevant proxy form in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person or by post not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 9:30 a.m. on Wednesday, 29 May 2019) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

12 April 2019

*All times set out in this circular refer to Hong Kong local time.*

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## DEFINITIONS

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

“A Share(s)”	ordinary share(s) with par value of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange and traded in RMB
“Articles of Association”	the articles of association of China Everbright Bank Company Limited
“AGM”	the annual general meeting for 2018 of the Company to be held at the conference room of 3rd Floor, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC on Thursday, 30 May 2019 at 9:30 a.m.
“Board”	the board of Directors of the Company
“Company”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: 601818), respectively
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“former CBRC”	former China Banking Regulatory Commission
“CBIRC”	China Banking and Insurance Regulatory Commission
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China but excluding, for the purpose of this circular, Hong Kong, the Macao Special Administrative Region and Taiwan
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of par value RMB1.00 each in the share capital of the Company (including A Shares and/or H Shares)

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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LETTER FROM THE BOARD

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中國光大銀行股份有限公司

**China Everbright Bank Company Limited**

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

**(Stock code: 6818)**

*Chairman of the Board, Non-executive Director:*

Mr. LI Xiaopeng

*Executive Director:*

Mr. GE Haijiao

*Non-executive Directors:*

Mr. CAI Yunge

Mr. FU Dong

Mr. SHI Yongyan

Mr. WANG Xiaolin

Mr. HE Haibin

Mr. ZHAO Wei

*Registered Office:*

China Everbright Center

No. 25 and 25A Taipingqiao Avenue

Xicheng District

Beijing 100033, China

*Principal Place of Business  
in Hong Kong:*

30/F

Far East Finance Centre

16 Harcourt Road

Admiralty

Hong Kong

*Independent Non-executive Directors:*

Mr. QIAO Zhimin

Mr. XIE Rong

Ms. FOK Oi Ling Catherine

Mr. XU Hongcai

Mr. FENG Lun

Mr. WANG Ligu

12 April 2019

*To the Shareholders*

Dear Sir or Madam,

**2018 WORK REPORT OF THE BOARD OF DIRECTORS  
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NOTICE OF THE 2018 ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposal of matters below, which will be submitted to the AGM for consideration and approval.

### 2. 2018 WORK REPORT OF THE BOARD OF DIRECTORS

The full text of the 2018 Work Report of the Board is set out in Appendix I to this circular.

### 3. 2018 WORK REPORT OF THE BOARD OF SUPERVISORS

The full text of the 2018 Work Report of the Board of Supervisors is set out in Appendix II to this circular.

### 4. BUDGET PLAN OF FIXED ASSET INVESTMENT FOR THE YEAR 2019

In order to realize the strategic vision of “building a leading wealth management bank” proposed in the Bank’s medium- and long-term development strategy and implement the bank construction plan of “Three Famous and Four Fines (三名四精)”, based on the internal and external economic situation, policy environment and market competition pattern, and based on the needs of the business development, the Company will further enhance our service capabilities and service standards, and continuously enhance the Company’s core competitiveness and customer service standards. In 2019, our fixed asset investment will be given priority to meet the investment needs of fixed assets such as information technology, network transformation and smart terminal equipment; and partially used for general fixed asset investment such as the purchase of office buildings and purchase of vehicles according to standards. The budget of fixed assets investment for the year is RMB4.90 billion, including RMB3.356 billion for the construction of office buildings, RMB1.00 billion for IT investment, RMB249 million for channel building, RMB295 million for office equipment upgrade, the details of which are as follows:

<b>Items</b>	<b>2019 budget</b> <i>(Unit: RMB100 million)</i>
Construction of office buildings	33.56
IT investment	10.00
Channel building	2.49
Office equipment upgrade	2.95
Total	<u>49.00</u>

### 5. AUDITED ACCOUNTS REPORT FOR THE YEAR 2018

In 2018, based on the general principle of pursuing progress while ensuring stability, centering on realizing the three major missions of “serving the real economy, containing financial risks and deepening financial reforms” and under the guidance of the strategic objectives of “establishing a first-class bank for the realization of the mighty Everbright Group”, the Company dedicated in developing itself into a bank

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## LETTER FROM THE BOARD

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defined by its aspirations, quality, uniqueness, innovation, principle, reputation, vigor and responsibility, and gained phased achievements, and the operation of the Bank has shown prospects for further growth while maintaining stability: Firstly, the total asset steadily increased, the structural adjustment persistently promoted and the net interest margin stabilized while improved; Secondly, the Bank pushed forward business transformation, creating a unique wealth management bank with revenue from intermediary business achieving rapid growth; Thirdly, the effectiveness of refined management arose, the quality of business development was improved, the advantage of revenue growth was notable, the output efficiency was enhanced, and the profitability was strengthened on going concern basis; Fourthly, the performance of risk indicators stabilized with the provision coverage ratio improving, the risk resistance capability was improved; Fifthly, the Sunshine Service and finance and technology were enhancing, and the soft capability of businesses was improved.

### I Assets and Liabilities

*Unit: RMB100 million*

	<b>As at the end of 2018</b>	<b>As at the end of 2017</b>	<b>Increase</b>	<b>Growth rate</b>
Assets	43,573.32	40,882.43	2,690.89	6.58%
Of which: loans	24,213.29	20,320.56	3,892.73	19.16%
Liabilities	40,348.59	37,828.07	2,520.52	6.66%
Of which: general deposits	25,719.61	22,726.65	2,992.96	13.17%
Owners' equity	3,224.73	3,054.36	170.37	5.58%

As at the end of 2018, the total assets of the Bank amounted to RMB4,357.332 billion, representing an increase of 6.58% or RMB269.089 billion as compared to the end of the previous year. The balance of loans reached RMB2,421.329 billion, representing an increase of 19.16% or RMB389.273 billion as compared with the end of the previous year.

As at the end of 2018, the Bank's total liabilities reached RMB4,034.859 billion, representing an increase of 6.66% or RMB252.052 billion as compared with the end of the previous year. General deposits reached RMB2,571.961 billion, representing an increase of 13.17% or RMB299.296 billion as compared with the end of the previous year. Owners' equity of the Bank was RMB322.473 billion, representing an increase of 5.58% or RMB17.037 billion as compared with the end of the previous year.



## LETTER FROM THE BOARD

### II Asset Quality

*Unit: RMB100 million*

	As at the end of 2018	As at the end of 2017	Change
Non-performing loan	384.21	323.92	60.29
Non-performing loan ratio	1.59%	1.59%	0.00%
Loan impairment provision	672.09	512.38	159.71
Provision-to-loan ratio	2.80%	2.52%	0.28%
Provision coverage ratio	176.16%	158.18%	17.98%

As at the end of 2018, the Bank's non-performing loans amounted to RMB38.421 billion, representing an increase of RMB6.029 billion as compared with the end of the previous year. Non-performing loan ratio was 1.59%, basically the same as compared with the end of the previous year.

As at the end of 2018, the loan impairment provisions of the Bank reached RMB67.209 billion, representing an increase of RMB15.971 billion as compared to the end of the previous year. The provision-to-loan ratio was 2.80%, up by 0.28 percentage point as compared with the end of the previous year. The provision coverage ratio was 176.16%, up by 17.98 percentage points as compared with the end of the previous year.

### III Financial Balance

*Unit: RMB100 million*

	2018	2017	Increase	Growth rate
Operating income	1,102.44	918.50	183.94	20.03%
Of which: Net interest income	610.43	609.50	0.93	0.15%
Net fee and commission income	368.94	307.74	61.20	19.89%
Operating expenses	692.54	512.69	179.85	35.08%
Of which: Operating fees Provision expenses	317.36	293.17	24.19	8.25%
	358.28	205.70	152.58	74.18%
Operating profit	409.90	405.81	4.09	1.01%
Net profit	337.21	316.11	21.10	6.67%

In 2018, the operating income of the Bank was RMB110.244 billion, representing an increase of RMB18.394 billion or 20.03% as compared to the previous year. The net interest income was RMB61.043 billion, representing an increase of RMB93.00 million or 0.15% as compared to the previous year. The net fee and commission income was RMB36.894 billion, representing an increase of RMB6.120 billion or 19.89% as compared to the previous year.

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## LETTER FROM THE BOARD

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In 2018, the incurred operating expenses of the Bank were RMB69.254 billion, representing an increase of RMB17.985 billion or 35.08% as compared to the previous year. The operating fees were RMB31.736 billion, representing an increase of RMB2.419 billion or 8.25% as compared to the previous year. The cost-income ratio was 28.79%, representing a decrease of 3.13 percentage points as compared with the previous year. The provision charges were RMB35.828 billion, representing an increase of RMB15.258 billion or 74.18% as compared to the previous year.

In 2018, the operating profit of the Bank was RMB40.990 billion, representing an increase of RMB0.409 billion or 1.01% as compared to the previous year. The net profit was RMB33.721 billion, representing an increase of RMB2.110 billion or 6.67% as compared to the previous year. The average return on total assets was 0.80%, representing an increase of 0.02 percentage point as compared to the previous year. The average return on net assets was 11.55%, representing a decrease of 1.20 percentage points as compared with the previous year.

#### IV Capital adequacy

	As at the end of 2018	As at the end of 2017	Change
Net assets per share	5.55	5.24	0.31
Common equity tier-1 capital adequacy ratio	9.15%	9.56%	-0.41%
Tier-1 capital adequacy ratio	10.09%	10.61%	-0.52%
Capital adequacy ratio	13.01%	13.49%	-0.48%

Unit: RMB

As at the end of 2018, the net assets per share of the Bank reached RMB5.55, representing an increase of RMB0.31 as compared to the previous year. The common equity tier-1 capital adequacy ratio, as measured according to the Administrative Measures for the Capital of Commercial Banks (Trial) (商業銀行資本管理辦法(試行)), reached 9.15%, down by 0.41 percentage points as compared to the previous year; the tier-1 capital adequacy ratio was 10.09%, down by 0.52 percentage points as compared to the previous year; the capital adequacy ratio was 13.01%, down by 0.48 percentage points as compared to the previous year, indicating that the capital adequacy ratios continued to comply with the regulatory requirements.

#### 6. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018

Taking into account the interests of all shareholders, sustainable development of the Company's business and the requirements of regulators on capital adequacy ratios, and pursuant to the provisions of the Companies Law of the PRC, the Securities Law of the PRC and the relevant requirements of the Articles of Association, the Company hereby formulates its 2018 profit distribution plan as follows:

1. Taking the net profit of the Company of RMB 33,168,155.5 thousand in 2018 as base, a statutory surplus reserve fund of RMB3,316,815.6 thousand was drawn at a rate of 10%.

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## LETTER FROM THE BOARD

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2. According to the relevant provisions of Regulations on Creation and Management of Provisions by Financial Institutions promulgated by the Ministry of Finance, a general reserve of RMB1,701,610.1 thousand was withdrawn at 1.5% of risk assets.
3. Distribution of dividends to shareholders of preference shares amounted to RMB1,450 million (RMB1,060 million distributed on 25 June 2018 and RMB390 million distributed on 13 August 2018).
4. Cash dividend was distributed to all shareholders of ordinary shares, with RMB1.61 (before tax) for per 10 shares. Based on the Company's issued shares of 52,489,265,400 shares as of the end of 2018, a total of RMB8,450,771.7 thousand of cash dividends, accounting for 25.11% of the consolidated net profit attributable to the Company's shareholders was distributed. As the convertible bonds issued by the Company are in the conversion period, the total amount of cash dividends actually distributed will be determined based on the total number of shares on register of Shareholders on the record date. The cash dividends were denominated and issued in RMB, paid to shareholders of A Shares in RMB and paid to shareholders of H Shares in Hong Kong dollars. The actual amount paid in Hong Kong dollars shall be calculated based on the average exchange rate of RMB against Hong Kong dollars announced by the PBOC one week prior to the shareholders' general meeting (including the date of the shareholders' general meeting).
5. In 2018, the Company did not implement capitalization of capital reserve funds.

The retained undistributed profit will be used to replenish the capital to meet the regulatory requirements on capital adequacy.

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## LETTER FROM THE BOARD

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### 7. REMUNERATION OF THE DIRECTORS FOR THE YEAR 2018

In accordance with the relevant requirements of the Articles of Association of the Company and the performance of duties by the Directors, the proposed remuneration of the Directors for the year 2018 are set out below:

*Unit: RMB 0'000*

Name	Position	Remuneration for 2018 (before tax)
Li Xiaopeng	Chairman, Non-executive Director	–
Cai Yunge	Non-executive Director	–
Fu Dong	Non-executive Director	–
Shi Yongyan	Non-executive Director	–
Wang Xiaolin	Non-executive Director	–
He Haibin	Non-executive Director	–
Zhao Wei	Non-executive Director	–
Qiao Zhimin	Independent Non-executive Director	39.00
Xie Rong	Independent Non-executive Director	37.00
Fok Oi Ling Catherine	Independent Non-executive Director	37.00
Xu Hongcai	Independent Non-executive Director	–
Feng Lun	Independent Non-executive Director	36.00
Wang Liguo	Independent Non-executive Director	34.00
<b>Resigned Director:</b>		
Gao Yunlong	Former Vice Chairman, Non-executive Director	–
Zhang Jinliang	Former Executive Director, President	–
Ma Teng	Former Executive Director, Executive Vice President	–
Li Jie	Former Executive Director, Vice President	–
Zhang Shude	Former Non-executive Director	–
Li Huaqiang	Former Non-executive Director	–

*Notes:* 1. The Chairman, Vice Chairman and Non-executive Directors do not receive remuneration from the Company. The remuneration of former Executive Directors, namely Mr. Zhang Jinliang, Mr. Ma Teng and Ms. Li Jie, are determined with reference to the remuneration standards of senior management and are subject to the approval from the Board.

2. Mr. Gao Yunlong resigned as Vice Chairman and Non-executive Director of the Company on 9 April 2018 due to job adjustment.

3. Mr. Ma Teng resigned as an Executive Director and Executive Vice President of the Company on 10 April 2018 due to job adjustment.

4. Mr. Li Huaqiang resigned as a Non-executive Director of the Company on 21 June 2018 due to his age.

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## LETTER FROM THE BOARD

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5. Mr. Zhang Shude resigned as a Non-executive Director of the Company on 13 August 2018 due to family reason.
6. Mr. Zhang Jinliang resigned as an Executive Director and President of the Company on 22 August 2018 due to job adjustment.
7. Ms. Li Jie resigned as an Executive Director and Vice President of the Company on 31 August 2018 due to her age.
8. Since 2013, the remuneration of Independent Non-executive Directors has included a basic remuneration of RMB280 thousand/person/year (before tax), plus an allowance of RMB30 thousand/position/year (before tax) for chairmen of the special committees of the Board and an allowance of RMB20 thousand/position/year (before tax) for members of the special committees of the Board. A Director acting as chairman or member of more than one Committee can receive remuneration on a cumulative basis.
9. In 2018, Mr. Xu Hongcai, an Independent Non-executive Director, did not receive any remuneration from the Company.

### 8. REMUNERATION OF THE SUPERVISORS FOR THE YEAR 2018

In accordance with the relevant requirements of the Articles of Association of the Company and the performance of duties by the Supervisors, the proposed remuneration of the Supervisors for the year 2018 are set out below:

*Unit: RMB0'000*

Name	Position	Remuneration for 2018 (before tax)
Li Xin	Chairman of the Board of Supervisors, Shareholder Representative Supervisor	132.31
Yin Lianchen	Shareholder Representative Supervisor	—
Wu Junhao	Shareholder Representative Supervisor	—
Yu Erniu	External Supervisor	—
Wu Gaolian	External Supervisor	—
Wang Zhe	External Supervisor	29.00
Sun Xinhong	Employee Representative Supervisor	—
Jiang Ou	Employee Representative Supervisor	—
Huang Dan	Employee Representative Supervisor	—

- Note:*
1. Shareholder Representative Supervisors (except Chairman of the Board of Supervisors) do not receive remuneration from the Company.
  2. Since 2013, the remuneration standards of External Supervisors have included a basic remuneration of RMB250 thousand/person/year (before tax), plus an allowance of RMB30 thousand/position/year (before tax) for chairmen of the special committees of the Board of Supervisors and an allowance of RMB20 thousand/position/year (before tax) for members of the special committees of the Board of Supervisors. A Supervisor acting as chairman or member of more than one committee can receive remunerations on a cumulative basis.

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## LETTER FROM THE BOARD

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3. In 2018, two External Supervisors, Yu Erniu and Wu Gaolian, did not receive any remuneration.
4. The Employee Representative Supervisor received post salary in the capacity as an employee, but did not receive any remuneration in his/her capacity as an Employee Representative Supervisor.
5. According to the relevant regulations, the remunerations of the Chairman of the Board of Supervisors for 2018 are determined with reference to the remuneration standards of the senior management of the Company. The total amount is yet to be confirmed and will be disclosed once confirmed.

### **9. ELECTION OF MR. HONG YONGMIAO AS THE INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Hong Yongmiao was nominated as the candidate for the position of independent non-executive Director of the Company, but subject to the consideration and approval by the shareholders at the general meeting of the Company and the CBIRC, and his term of office will commence on the date when the approval of CBIRC is obtained.

The biographical details of Mr. Hong Yongmiao are set out below:

Mr. Hong Yongmiao, aged 55, is currently an academician of the Academy of Sciences for the Developing World, a bachelor of the Econometric Society, a professor of Economics and International Studies at Cornell University in the United States and a vice chairman of Economics Professional Teaching Mentoring Committee of Higher College of Ministry of Education and a lecture professor of Economics of the “Changjiang Scholars” launched by the Ministry of Education (Xiamen University). He also serves as the senior editor of Economics of the Journal of Management Science and Engineering of the National Natural Science Foundation of China as well as the editorial board of Economic Research Journal of Chinese Academy of Social Sciences. He is a member of academic committee of China Economic Quarterly of Peking University). He also acts as an independent director of Xiamen Bank Co., Ltd. He was previously the host of The National Science Fund for Distinguished Young Scholars of National Natural Science Foundation of China, the President of the Chinese Economists Society, an independent director of Industrial and Commercial Bank of China Limited (listed on the Hong Kong Stock Exchange, stock code: 1398; listed on the Shanghai Stock Exchange, stock code: 601398). He respectively obtained a bachelor’s degree in Science and master’s degree in Economics of Xiamen University, and a Ph.D. in Economics of University of California, San Diego in the United States.

Save as disclosed in the biographical details above, Mr. Hong Yongmiao has not held directorships in any other listed companies in the last three years and does not hold any positions with the Company or other members of the Group, and he does not have any relationships with other Directors, senior management, substantial shareholders or controlling shareholders of the Company, and he is not interested in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In accordance with the Articles of Association of the Company, the term of a Director is three years, and the Directors are eligible for re-election upon expiry of their terms, but the consecutive terms of the independent non-executive Directors shall not exceed six years.

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## LETTER FROM THE BOARD

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The basic annual pre-tax Director's emolument of Mr. Hong Yongmiao is RMB280,000, which shall be adjusted based on the responsibilities of the independent non-executive Directors of the Company and submitted by the Board of Directors to the general meeting of the Company for the shareholders' approval.

Save as disclosed in this circular, there are no other matters that need to be brought to the attention of the shareholders of the Company or to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in relation to the aforesaid proposed appointment.

### **10. ELECTION OF MR. SHAO RUIQING AS THE INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Shao Ruiqing was nominated as the candidate for the position of independent non-executive Director of the Company, but subject to the consideration and approval by the shareholders at the general meeting of the Company and the CBIRC, and his term of office will commence on the date when the approval of CBIRC is obtained.

The biographical details of Mr. Shao Ruiqing are set out below:

Mr. Shao Ruiqing, aged 61, is currently a professor in Shanghai Lixin University of Accounting and Finance and a mentor for doctoral students. He also holds positions including the vice president of China Communications Accounting Society, an executive director of Accounting Society of China, a director of China Audit Society, the vice president and chairman of the academic committee of Shanghai Accounting Association, an executive director of Shanghai Audit Association, a member of accounting & finance expert advisory committee of Ministry of Transport, the consulting expert of state-owned assets report of Ministry of Finance, an independent director of China Eastern Airlines Corporation Limited (listed on the Hong Kong Stock Exchange, stock code: 0670; listed on the Shanghai Stock Exchange, stock code: 600115), an independent director of HUAYU Automotive Systems Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600741), an independent director of Tibet Urban Development and Investment Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600773), an independent director of Shanghai Carthane Company Limited (listed on the Shanghai Stock Exchange, stock code: 603037). He served as a teaching assistant, lecturer and associate professor of the Department of Economics of Shanghai Maritime University (during the period of which, he received the Sino-British Friendship Scholarship for studying and research in the postgraduate course (Maritime Finance) at University of Wales in the United Kingdom); associate professor and Dean of the Department of Accounting of Shanghai Maritime University; professor and Dean of the Department of Finance & Accounting of Shanghai Maritime University (during the period of which, he received national fund from Studying Abroad Program and was a senior visiting scholar at University of Sydney, Australia, studying accounting and finance); professor and Deputy Dean of School of Management of Shanghai Maritime University; professor, mentor for doctoral students and Dean of School of the Economics and Management of Shanghai Maritime University; professor, mentor for doctoral students and Vice President of Shanghai Lixin University of Accounting; and external supervisor of China Merchants Bank Co., Ltd. (listed on the Hong Kong Stock Exchange, stock code: 3968; listed on the Shanghai Stock Exchange, stock code: 600036). He respectively obtained a bachelor's degree in Economics (majoring in Accounting) of Shanghai Maritime University, a master's degree in Management (majoring in Accounting) of Shanghai University of Finance and Economics and the Ph.D. in Management (majoring in Technical

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## LETTER FROM THE BOARD

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Economics and Management) of Tongji University. He is entitled to a special government allowance provided by the State Council. Mr. Shao is also a honorary fellow member of the Association of International Accountants.

Save as disclosed in the biographical details above, Mr. Shao Ruiqing has not held directorships in any other listed companies in the last three years and does not hold any positions with the Company or other members of the Group, and he does not have any relationships with other Directors, senior management, substantial shareholders or controlling shareholders of the Company, and he is not interested in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In accordance with the Articles of Association of the Company, the term of a Director is three years, and the Directors are eligible for re-election upon expiry of their terms, but the consecutive terms of the independent non-executive Directors shall not exceed six years.

The basic annual pre-tax Director's emolument of Mr. Shao Ruiqing is RMB280,000, which shall be adjusted based on the responsibilities of the independent non-executive Directors of the Company and submitted by the Board of Directors to the general meeting of the Company for the shareholders' approval.

Save as disclosed in this circular, there are no other matters that need to be brought to the attention of the shareholders of the Company or to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in relation to the aforesaid proposed appointment.

### **11. REPORT OF USE OF PROCEEDS FROM PREVIOUS OFFERING**

According to the requirements of the Regulations of the CSRC on Report of Use of Funds Raised from Previous Offering, the Report of Use of Proceeds from the Previous Offering of the Company is hereby delivered to the shareholders' meeting for consideration and approval.

For details please refer to Appendix III to this Circular.

### **12. AMENDMENTS TO THE PLAN OF AUTHORISATION BY SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS**

In order to regulate the authorization by shareholders' general meeting to the Board of Directors, the Company formulated the Plan of Authorisation by Shareholders' General Meeting to the Board Of Directors of China Everbright Bank Company Limited in 2008, which was revised twice in 2013 and 2016, respectively.

To further enhance the comprehensiveness of the authorization and reasonableness of the term of authorization, combining with the daily operation and management, the Company make further amendments to the Plan of Authorisation by Shareholders' General Meeting to the Board of Directors of China Everbright Bank Company Limited, with detailed comparison between the articles before and after amendments, the basis or reason for amendment, please refer to Appendix IV to this Circular.



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## LETTER FROM THE BOARD

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### 13. ISSUANCE OF NON-FIXED TERM CAPITAL BONDS

In order to further improve the Company's capital adequacy level and strengthen the Company's sustainable development capacities, in accordance with the Capital Rules for Commercial Banks (Provisional) (Order No. 1 of the CBRC in 2012) and the Opinion on Further Support on Innovation of Capital Instruments of Commercial Banks (Yin Jian Fa [2018] No. 5) and the [2018] No. 3 Announcement of the People's Bank of China and other relevant regulatory requirements, the Company intends to issue non-fixed term capital bonds, as follows:

#### I. Key Terms of Issuance Plan

1. Total issuance amount: not more than RMB40 billion, or equivalent in foreign currencies;
2. Type of capital instruments: additional Tier-1 capital instruments, which meet the relevant requirements as stipulated in Capital Rules for Commercial Banks (Provisional), and can be used to replenish additional Tier-1 capital of commercial banks;
3. Market for issuance: domestic and overseas markets;
4. Term of bond: the term of the bonds is consistent with the duration of the Company's continuing operations;
5. Interest rate: to be determined with reference to the market interest rates and the method of issuance;
6. Redemption: redeemable subject to the approval of relevant regulatory authorities after five years of issuance;
7. Means of loss absorption: upon the occurrence of triggering events as specified in the issuance documents, the loss shall be absorbed through a write-down mechanism;
8. Use of proceeds: to replenish additional Tier-1 capital;
9. Term of validity of the resolution: 24 months from the date of approval by the shareholders' general meeting.

The specific issuance plan will be optimized and adjusted according to the requirements of the regulatory authorities.

#### II. Matters Relating to Authorisation

The Company hereby proposes to the shareholders' general meeting to authorise the Board, and the Board shall then delegate the authority to the Chairman and President of the Company to determine the specific terms and procedures for the issuance of non-fixed term capital bonds and

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## **LETTER FROM THE BOARD**

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handling of all the related matters including but not limited to the entering into agreements, engaging professional advisers and reporting to regulatory authorities at their sole discretion jointly or individually under the framework and principles as considered and approved by the shareholders' general meeting and pursuant to the rules and approval requirements promulgated by relevant regulatory authorities and the aforementioned terms and conditions. The term of validity of such authorizations is 24 months from the date of approval by the shareholders' general meeting. The Board is authorized and then delegated the authority to the Chairman and President of the Company to handle all the related matters such as redemption and writing down at their sole discretion jointly or individually pursuant to the rules and approval requirements promulgated by relevant regulatory authorities during the duration of the non-fixed term capital bonds.

### **14. THE AGM**

The AGM will be held at the conference room of 3rd Floor, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC on Thursday, 30 May 2019 at 9:30 a.m. The AGM notice and relevant proxy form and reply slip for the AGM were dispatched to Shareholders on Friday, 12 April 2019.

### **15. CLOSURE OF REGISTER OF MEMBERS FOR THE AGM**

In order to determine the Shareholders of H Shares who will be entitled to attend the AGM, the Company will suspend registration of transfer of H Shares from Tuesday, 30 April 2019 to Thursday, 30 May 2019 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Thursday, 30 May 2019 are entitled to attend the AGM.

In order to qualify to attend the AGM, holders of H Shares of the Company whose transfer documents had not been registered must deposit the transfer documents accompanied by relevant share certificates to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 29 April 2019.

A reply slip and a form of proxy for use at the AGM were also published on the websites of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.cebbank.com](http://www.cebbank.com)). Shareholders who intend to attend the AGM in person or by proxy shall complete and return the reply slip in accordance with the instructions printed thereon on or before Friday, 10 May 2019. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time designated (i.e. not later than 9:30 a.m. on Wednesday, 29 May 2019) for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

### **16. CLOSURE OF REGISTER OF MEMBERS FOR DISTRIBUTION OF 2018 FINAL DIVIDEND**

In order to determine the Shareholders of H Shares entitled to receive the final dividend for the year ended 31 December 2018, the Company will suspend registration of transfer of shares from Wednesday, 5 June 2019 to Monday, 10 June 2019 (both days inclusive).

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## LETTER FROM THE BOARD

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In order to qualify to receive the final dividend, Shareholders of H Shares of the Company who have not had their transfer documents registered must deposit the transfer documents accompanied by relevant share certificates to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Tuesday, 4 June 2019. Holders of H Shares whose names are recorded in the register of members of the Company on Monday, 10 June 2019 are entitled to receive the final dividend for the year 2018.

### 17. RECOMMENDATIONS

The Directors consider that the resolutions as stated in the notice of AGM are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions to be proposed at the AGM.

Yours faithfully,  
On Behalf of the Board  
**China Everbright Bank Company Limited**  
**LI Xiaopeng**  
*Chairman*

*As at the date of this circular, the Executive Director of the Company is Mr. Ge Haijiao; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Cai Yunge, Mr. Fu Dong, Mr. Shi Yongyan, Mr. Wang Xiaolin, Mr. He Haibin and Mr. Zhao Wei; and the Independent Non-executive Directors are Mr. Qiao Zhimin, Mr. Xie Rong, Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Feng Lun and Mr. Wang Ligu.*

**CHINA EVERBRIGHT BANK COMPANY LIMITED**  
**2018 WORK REPORT OF THE BOARD OF DIRECTORS**

To all shareholders,

In 2018, the Board of Directors strictly complied with laws and regulations, regulatory requirements and the Company's Articles of Association, diligently performed duties and made scientific decisions, and actively played a strategic leading role. The Board continued to improve operation mechanism, strengthen risk management and control, prudently carried out information disclosure, and continuously improved the effectiveness of corporate governance. The Bank won the Special Contribution to Governance Prize of the Board of Directors in the fourteenth Gold Round Table Award for Boards of Chinese Listed Companies sponsored by the Directors & Boards Magazine, and maintained "A" level in the annual appraisal of the information disclosure of listed companies by the Shanghai Stock Exchange. In February 2019, according to the result of the "GYROSCOPE" evaluation system officially released by the China Banking Association, the Company ranked second among joint-stock banks. It fully demonstrated the achievements of the Company in improving corporate governance structure, improving risk management capabilities, accelerating digital transformation, and strengthening capital replenishment.

**I. STRENGTHENING STRATEGIC GUIDANCE AND SHAPING NEW IMAGE OF EVERBRIGHT**

**(1) Optimizing development strategy and drawing up development blueprint**

The Board insisted on strategic guidance, actively promote and directly participate in strategic optimization. In the first half of 2018, during the advice and suggestion activity of the Bank, the Directors put forward a lot of constructive suggestions and opinions on development goals, strategic positioning and business transformation of the Company. In the middle of the year, through several rounds of discussions and analysis, the Board reviewed and approved the Medium and Long-Term Development Strategy of China Everbright Bank (2018-2027), which established the vision of "building a first-class wealth management bank", clarified the strategic path of "three-five-ten, five-four-three", put forward the strategic connotation of "banks with feelings, quality, characteristics, innovation, bottom line, reputation, vitality and responsibility" and the transformation and development direction of "integration, specialization, lightness and digitalization" and strategic initiatives to create "famous products, famous stores, famous stars".

**(2) Promoting strategy implementation and shaping new image of Everbright**

The Board paid close attention to the implementation of the development strategy, and learned carefully the management's report on the Implementation Plan of Medium and Long-Term Development Strategy of China Everbright Bank (2018-2027). The Board guided the management to set up a comprehensive deepening reform leading group, led the implementation of the Bank's strategy, focused on strategic objectives, changed growth mode, accelerated transformation and upgrading, and deepened reform and innovation. The Board also carried out a multi-level series of presentations and effectively promoted the implementation of the strategy. Chairman Li Xiaopeng

devoted his efforts to publicity and promotion. Through the keynote speeches at the forums in and outside the Bank and media interviews, he vigorously created a new image of “Wealth Management Bank” in the society and opened a new stage of development with a new look.

## **II. DEEPLY CONDUCTING INDUSTRIAL BENCHMARKING AND IMPROVING BUSINESS PERFORMANCE**

### **(1) Actively conducting industrial benchmarking and accelerating strategic layout**

To deeply promoted the implementation of strategies and implement the roadmap of strategic goal “three steps”, under the leadership and promotion of Chairman Li Xiaopeng, the management conducted in-depth benchmarking activities, researched and established of six categories and 23 indexes systems. They measured and ranked the comprehensive competitiveness scores of benchmarking banks scientifically and summarized every six months to comprehensively review the highlights and shortcomings in its own development, and made timely rolling adjustment to further clarify ideas and methods for strategic implementation.

Meanwhile, focusing on the transformation direction of “four modernizations”, the Board actively implemented the new regulations on asset management and agreed to invest RMB5 billion to apply for wealth management subsidiary. The Board supported the Company to jointly set up consumer and finance companies with other promoters, to invest in forming national financing and guarantee funds, so as to further perfect the domestic operating network and steadily promoting the layout of overseas institutions.

### **(2) Inspiring business vitality and achieving a good start**

Through deeply industrial benchmarking, we have identified historical position, identified development orientation, defined strategic goals and strategic roadmaps. The Bank stimulated vitality, mobilized potential, discussed reform, thought about innovation, promoted development, and held the bottom line, therefore all businesses grew stably and achieved a good start in the strategic year and the growth rate of major business indicators exceeded industry average. As at the end of the year of 2018, the Bank’s total assets were RMB 4,357.332 billion, representing an increase of 6.58% as compared with the end of last year; the operating income exceeded RMB100 billion for the first time, totaling RMB110.244 billion, representing an increase of 20.03% over last year; net profit attributable to shareholders of the Company was RMB33.659 billion, representing an increase of 6.70% over last year; the non-performing loan ratio was 1.59%, which was basically unchanged compared with the end of last year; the provision coverage ratio was 176.16%, an increase of 17.98 percentage points over the last year.

## **III. FULLY SUPPORTING PRIVATE ECONOMY AND FULFILLING THE MISSION OF STATE-OWNED BANKS**

In order to actively implement the central government’s policy of supporting private economy, the Board of the Company adheres to the standards of “four equal treatments” and “three advocates”. The Board approved the establishment of the Inclusive Finance Department at the headquarter, supported the promotion of the Inclusive Financial Credit Factory, and established an inclusive financial franchise organization to

promote the development of inclusive financial services. We arranged special facilities to support the credit for private enterprises and small and micro enterprises, achieving the objective of “two increases and two controls”. In order to alleviate the financing difficulties of private enterprises, through the innovation of products and mechanism, we helped many private enterprises create credit risk mitigation warrants (CRMW), the number of which was ranked first and the scale of which was ranked second in the market.

As approved by the Board, the Company initiated debt-to-equity swap. At the end of 2018, the first market-oriented debt-to-equity swap project was officially implemented. The project is the first market-oriented debt-to-equity swap of the joint-stock bank to use the funds released from cuts in statutory deposit reserve ratio, which has a positive demonstration effect on reducing the leverage ratio and financial cost of private enterprises.

#### **IV. ACTIVELY IMPLEMENT VARIOUS REGULATORY REQUIREMENTS AND CONTINUOUSLY IMPROVE SELF-CONSTRUCTION**

##### **(I) Followed up regulatory dynamics and enhanced equity management and connected transactions management**

In 2018, the CBIRC tightened the regulation on equity management of commercial banks. The Board has earnestly studied the guiding principles of the training seminar for corporate governance of small- and medium-sized banks and insurance companies, particularly those expressed by Chairman Guo Shuqing, proactively implemented relevant requirements of the Interim Measures for the Equity Management of Commercial Banks and supportive documents, and revised the Articles of Association and the Management Measures of Connected Transactions, if necessary, to ensure the corporate governance, equity management and connected transactions of the Bank in compliance with the latest regulatory requirements from the perspective of systems. Meanwhile, the Bank has procured the management to strengthen the study on equity management and the communication with substantial shareholders, and convey the regulatory policies to substantial shareholders. The Board and the Related Party Transaction Control Committee have strictly complied with the requirements that the conditions of connected transactions would not be favorable than those offer by non-related parties, further regulate the daily management of connected transactions and list of related parties, persistently optimized the connected transaction management system, ensuring the compliance, fair and transparency of major connected transactions.

##### **(II) Make better in personnel assignment to guarantee the effective operation of the Board and special committees**

The Board has continuously attached importance to self-construction. According to the nomination by the substantial shareholders, the Board completed election of five Directors in the year in an orderly manner, including one chairman, one executive Director and three non-executive Directors, as well as approved the qualification of relevant members. Also, taking into consideration of experience and expertise of the newly Directors, the Board has delegated and adjusted adequate members of special committees of the Board in a timely manner, ensuring the connection among the committees. In order to fill the vacancy of independent non-executive Directors before expiring of terms, the Nomination Committee of the Board widely identified eligible candidates of independent

non-executive Directors, further perfected the selection mechanism, and explored and set up a talent candidate for independent Directors. It attempted to conduct assessment on the Board, reviewed the diversity policy of the Board and promoted the diversity of Directors' source and backgrounds.

#### **V. SOLIDIFY THE INTERNAL CONTROL AND RISK MANAGEMENT TO PREVENT AND RESOLVE RISKS**

In 2018, supported and promoted by the Board, the Bank initiatively implemented the transformation of risk management, reviewed and updated the credit policies and risk indicators, voluntarily adjusted the credit asset structure, strictly control the newly-added credit risk, accelerated the settlement and disposal of non-performing assets, constantly put greater effort on provision and stringently held the bottom line of risk management. As of the end of the year, the asset structural adjustment of the Company has demonstrated effects, with quality of the assets maintained stable generally, the risk prevention ability improving continuously and major risk indicators in compliance with regulatory requirements.

The Board attached great importance to the internal control, strictly implemented the work deployment of the CBIRC, and constantly followed up the specific governance work of the Board, the Board of Supervisors and the senior management, the special inspection for credit risk, as well as the "Three Interest Arbitrages", "Three Breaches", "Four Improper Actions" and "10 Chaos" which commenced at the earlier stage. The Board procured the management to further deepen the rectification of the chaos in the banking market, kept a close eye on case prevention, strengthen the function of regional audit center to improve the audit and supervision efficiency, and to further rectify the issues identified and to further enhance the accountability against non-compliance behaviors. In 2018, there was neither incident or event of significance of the Company, nor had important negative information. The business operation was in a safe and orderly manner.

#### **VI. PRUDENTLY PERFORM DISCLOSURE OBLIGATIONS AND OPTIMIZE THE INVESTORS RELATIONSHIP MANAGEMENT**

##### **(I) Fulfilled information disclosure on compliant and efficient basis to enhance market supervision**

According to the regulatory requirement in Hong Kong and Shanghai, the Board and the Audit Committee cautiously reviewed the Company's 2017 Annual Report, 2018 First Quarterly Report, 2018 Interim Report and 2018 Third Quarterly Report, and discussed in-depth with the management and auditors to ensure their authenticity, accuracy and completeness as well as timely publish. At the same time, the Company compliantly made information disclosures for significant events. During the year, a total of 115 A-share ad hoc announcements (including non-public documents uploaded to the website) and 146 H-share ad hoc announcements (including A-share overseas regulatory announcements) were published, involving changes in Directors, Supervisors and senior management, resolutions of meeting, connected transactions and other significant issues, to continuously improve the operation and management transparency. The Company persistently improved the management for information insiders to prevent sensitive information leakage. The Shanghai Stock Exchange maintained its comprehensive rating at "A" on information disclosure of the Company.

**(II) Actively implemented investor relation management to improve market image**

The Board further improved the investors' relationship management. Chairman Li Xiaopeng led the management team and held annual result presentation release in Hong Kong and Beijing, and fully presented the operating performance and highlights which gained widely recognition. During the year, the Company held the quarterly report presentation release and roadshow, the open day for investors, to deepen communications with institutional investors, bank analysts and media correspondents at home and abroad. It arranged domestic and overseas investors and analysts for visits and on-site investigations communicated with investors through telephone, email, interactive platforms such as Shanghai E interaction, as well as timely updated its English and Chinese websites to inform investors of information about the Company. In order to fully reflect the operating efficiency and protect the interest of shareholders, the Company further perfected the market value management mechanism, and closely monitored the price fluctuation of shares, so as to continue to enhance the Company's capability for sustainable development, financing and the shareholders' value.

**VII. SCIENTIFIC AND PROFESSIONAL DECISION-MAKING TO PROMOTE THE EFFICIENCY OF THE BOARD OF DIRECTORS****(I) All Directors performed their duties diligently and actively participated in the operation of the Board of Directors**

All Directors earnestly performed their duties by timely attending Board meetings and meetings of special committees of the Board of Directors, and actively participating in discussions and prudently expressing opinions. During the year, the Board of Directors held a total of 16 meetings, at which 96 proposals were discussed and 16 reports were debriefed. During the meeting, the Board of Directors and the Audit Committee invited intermediaries to hold lectures to discuss the implementation of commercial bank equity management regulations, related transaction management, cross-marketing, etc.

During the intercessional period, certain Directors attended various meetings and work exchanges in order to keep abreast of the regulatory policies, grasp the business management dynamics of the Company, and actively obtain the information needed to perform their duties. The Directors also participated in training and seminars organized by listed company associations; visited the head office and branches to conduct special research, and visited local regulatory agencies. In addition, they went overseas to study in order to learn about the international strategic organization layout and business layout strategy of the industry, sum up the effectiveness of the Company's international construction and overseas operations, and provide opinions and references for optimizing the Company's internationalization strategy. In accordance with the Articles of Association, independent non-executive Directors issued independent and professional opinions on matters such as profit distribution plan, senior management's remuneration, and major related party transactions involving the interests of small and medium shareholders.



**(II) Convening Board retreat meeting to start the year 2019**

At the end of the year, the Company held a Board retreat meeting. The participating Directors conducted in-depth discussions on business plans and budgets, internationalization strategies, risk prevention, technological innovation and digital transformation based on the 2019 work priorities and reform and development measures, and put forward a lot of constructive opinions and suggestions. Based on the summary, our Chairman Mr. Li Xiaopeng put forward the development ideas and direction of the Company in 2019, emphasizing the need to maintain strategic strength and strengthen strategic implementation. The Board retreat meeting has laid the foundation for the development of the financial budget and the development of the 2019 for the Company.

**(III) Special committees actively performed their duties and assisted the Board of Directors in scientific decision-making**

Based on their power of responsibility, the special committees of the Board discussed and analyzed the major issues such as the medium and long-term development strategy (2018-2027), the annual business plan and budget plan, the periodic report, the internal control evaluation and internal control audit, the capital planning report, the anti-money laundering work, and the evaluation and salary standards of senior management, major related party transactions, inclusive finance and consumer rights protection in advance. They summarized the issues that need to be focused on in the proposals. This will not only provide professional support for the decision of the Board of Directors, but also help improve the efficiency of Board deliberation. During the year, the special committees of the Board held a total of 35 meetings, at which 77 proposals were discussed and approved and 25 special reports were debriefed.

**(IV) Implemented resolutions of general meeting earnestly and carried out work in accordance with authorization strictly**

In 2018, the Board of Directors held a total of 3 shareholders' general meetings, at which 17 proposals were discussed and 2 reports were debriefed. The shareholders' general meeting reviewed and approved major issues such as the work report of the Board of Directors and the Board of Supervisors in 2017, 2017 audited accounts report, 2017 profit distribution plan, the remuneration plan of Directors and Supervisors for 2017, the amendments to the Articles of Association, the election of Directors, the establishment of an independent legal entity for asset management business, and non-public issuance of preference shares. According to the resolution of the shareholders' meeting, the Company organized and implemented the dividend distribution work on time. The issuance plan of non-public issuance of preferred shares and the qualifications of new Directors have been approved by the CBIRC, and wealth management subsidiaries are in the process of approval.

Besides, the Board of Directors exercised its decision-making authority in strict accordance with the Plan of Authorization by General Meeting of Shareholders to the Board of Directors and prudently carried out the delegation of authority to the management. As at the end of 2018, the matters discussed were all in strict accordance with the provisions of the approval procedures, the implementation of the overall authorization was in good condition, and there was no over-authorization of the license, which guaranteed the role of the general meeting of shareholders in making decisions on major issues.

**VIII. CULTIVATE EVERBRIGHT NEW CULTURE AND STRIVE TO FULFILL CORPORATE SOCIAL RESPONSIBILITY****(I) Strengthening the construction of corporate culture and cultivating the new culture of Everbright**

Corporate culture is the core competitiveness and important soft power of an enterprise, and it is the “soul” of an enterprise. The Board of Directors attaches great importance to the construction of corporate culture. In the new development strategy reviewed and approved, it is clearly proposed to build a cultural system with distinctive characteristics, which is, to cultivate a new culture of “home culture, sunshine culture, pro-business culture and responsibility culture”, continued to promote brand building, and constantly improved the Sunshine brand system. According to “Global Bank Brand Value 500” by “Brand Finance”, the Company ranked 40th, up by 4 places from the previous year, and the increase was the best among Chinese banks.

**(II) Vigorously promote targeted poverty alleviation and actively support public welfare activities**

In 2018, the Company thoroughly implemented the requirements of “promoting financial targeted poverty alleviation” in the National Financial Work Conference, and explored the new direction of “finance + targeted poverty alleviation”, and played a part in helping the poor. The Board reviewed and approved the relevant donation proposals, supported the management’s commitment to education, support for the weak, volunteer services and other public welfare practices. We have set up branches in poverty alleviation counties such as Xinhua and Xintian counties in Hunan province, which have broadened the financing channels for enterprises in poverty-stricken areas. We also called on employees to carry out online donation activities for poverty alleviation. We have also supported various public welfare activities, such as the “Mother Water Cellar” charity project of the China Women’s Development Foundation, the “Public Action for the Victims of Sacrifice and Disabled Persons” of the Chinese Public Security Police Foundation and the “Bright Mission” of Inner Mongolia Autonomous Region.

In 2019, with the goal of “strengthening value creation and achieving high-quality development”, the Board of the Company will strive for stability and seek opportunities to continue to help the development of the real economy. We will also deepen corporate governance reform, improve system and mechanism construction, accelerate transformation and development, improve business performance, and consolidate the strategic plan to achieve a good start to the “three-step” roadmap. In addition, we will work hard on the road of “the year of value creation” to create greater value for shareholders, society and other stakeholders.

**CHINA EVERBRIGHT BANK COMPANY LIMITED**  
**2018 WORK REPORT OF THE BOARD OF SUPERVISORS**

In 2018, in strict compliance with relevant provisions and requirements of the Companies Law, the Guidelines on Corporate Governance of Commercial Banks, the Guidelines for Board of Supervisors of Commercial Banks and the Articles of Association, the Board of Supervisors complied with the principles of performing supervision through “warning, helping and facilitating” and acting “intra vires, responsibly and properly”, actively performed its function of supervising, constantly optimized its working mechanism and fully realized its check and balance function within the framework of corporate governance, setting a solid foundation for the sustainable and healthy development of the Bank.

**I. MAJOR TASKS**

**(I) Play a check and balance role of supervision function under the guidance of supervision against significant decisions**

**1. *Attend relevant meetings to supervise major decisions of the Board and senior management***

In 2018, the Board of Supervisors delegated the Supervisors to attend or be present at general meetings, the meetings of the Board of Directors, special committees and the senior management to understand major strategic decisions and the implementation of significant measures for operation and management, and to provide advice and recommendations on material concerns. Meanwhile, the Board of Supervisors monitored the attendance and discussions made by the Directors and senior management so as to obtain a more comprehensive understanding of the daily duty performance of Directors and senior management staff.

**2. *Hold regular meetings of the Board of Supervisors to review relevant proposals***

In 2018, in accordance with the Companies Law and the Articles of Association, the Board of Supervisors organized and convened 13 meetings of various kinds in total, including 6 meetings of the Board of Supervisors, 4 meetings of the Supervision Committee, and 3 meetings of the Nomination Committee, considering a total of 32 proposals mainly including regular reports, duty performance evaluation reports of the Board of Directors and the senior management, duty performance evaluation opinion on the Directors and Supervisors, internal control evaluation reports, profit distribution plan, annual remuneration packages of Supervisors of the Bank. The meetings of the Board of Supervisors and its special committee were conducted according to the rules of procedures with high efficiency and focuses on key areas. At various meetings, the Supervisors actively expressed their deliberations and exercised their voting rights prudently in accordance with laws, effectively ensuring the legality, compliance and rationality of the resolutions of the Board of Supervisors and improving the supervision effectiveness. The supervisory functions were performed effectively.

**(II) Focus on duty performance supervision and well perform the supervision work**

In 2018, in accordance with the regulatory requirements and arrangement of relevant systems of the Bank, the Board of Supervisors conducted performance appraisals for the Board, senior management and its members separately, and reported the results of the assessment to the Board of Directors and the senior management, as well as the general meetings and relevant regulatory authorities in accordance with applicable requirements. With respect to the relatively low attendance rate of certain Directors, the Board of Supervisors has fully used the forms of prompt letter, discussion, etc. to actively procure the performance by the Directors. Meanwhile, the Board of Supervisors also further enhanced self-regulation, standardized duty performance actions of supervisors, then further enriching the duty performance evaluation system of the Board of Supervisors.

**(III) Focus on business supervision and promote the supervisory work conducted in an all-round manner**

Centering on the key aspects of supervision, by listening to the reports, discussed and communicated with persons in charge of relevant department, the Board of Supervisors has carried forward the comprehensive supervision on various businesses.

**1.     *Continuously deepen financial supervision***

The Board of Supervisors followed and reviewed the regular reports of 2018 for four times with the compliance of financial activities and the truth, accuracy and completeness of financial data as its emphasis, regularly discussed with the accountant for the preparation of financial report and analyzed the changes of financial data and verified the authenticity of financial information. The Board of Supervisors considered and approved the business plans and financial budget plans for 2018, the annual profit distribution plan, and paid timely attention to the annual accounting policy changes, continuously promoted the standardized operation of the Company which played a positive role in strengthening financial management of the Company.

**2.     *Continuously strengthen the risk and internal supervision***

The Board of Supervisors paid attention to the establishment and improvement of the comprehensive risk management and governance structure, and the internal control management structure of the Company, constantly followed up the implementation of rectification of internal control defects, paid timely attention to the advice of regulatory authorities and main risks discovered by during the inspections by external audit departments, and timely report at the meeting of the Board of Supervisors, as well as urged the management to make timely rectifications and implement relevant suggestions. The detailed supervisory contents include: first, to listen to the report and to consider and approve relevant proposals. In 2018, the Board of Supervisors listened to the annual risk management reports, the operation risk management report of the Company, the briefing from regulatory authority regarding regulatory works and rectification of the Company, and considered and approved the internal control evaluation reports and internal control and audit reports. Second, the Board of

Supervisors enhanced its judgment on internal control and risks via its survey, with an aim to enable the branches to properly understand the relationship between development and internal control and defend the bottom line of risk. Third, the Board of Supervisors regularly made sufficient communications with the risk, audit and other departments in respect of comprehensive risk management, various key risk profiles, the establishment of internal control system.

**3. *Follow up supervision on the strategies***

The Board of Supervisors closely monitored the implementation of strategies, listened to the report from the management on the execution of strategies via attending the meetings of the Board and the Strategic Committee. Also, through conducting special investigation, the Board of Supervisors deeply understood the issues confronted by branches during the implementation and execution of strategies as well as provided relevant recommendations and advice.

**(IV) Strengthen the effectiveness of supervision based on deep research**

In respect of the key areas and steps relating to the Company's deepening reform and healthy development, the Board of Supervisors closely followed up the issues and weaknesses in execution of strategies, operation and management and risk control, and deepened its inspection and research to enhance its effectiveness of supervision.

During the year, part of Supervisors and members of relevant departments conducted several special researches. Firstly, research on compliance of internal control and risk management. In the first half of 2018, the research team successively conducted deep research on compliance of internal control and risk management in Nanjing, Suzhou, Hangzhou, etc. Based on the results, the branches could actively fulfilled the requirements of the headquarter on internal control management, provided that there was still weaknesses in existence in internal control of certain branches, the implementation of internal control measures was pending improving and the behavior and conscientiousness of the staff in respect of internal control were required to further improve. As to risk management, the special mention rate of certain branches was still high and exposed much pressure on downgrading to lower classification. Facing with the issues above, the Board of Supervisors raised corresponding advice and recommendations from the perspective of strengthening the development of compliance culture and the risk management.

Secondly, research on implementation of strategies. In order to deeply understand the publicity and implementation of new strategies of the headquarter by branches, the research team of the Board of Supervisors visited the tier-2 branches in Hohhot, Kunming, Nanning and conducted research on implementation of strategies in September and November 2018. Based on the results, the branches has earnestly executed the publicity and performed the strategies, and some branches could formulate their own mid- and long-term strategies implementation plans and specific operating strategies based on actual conditions. However, the research team also discovered some issues existed in the operation and management of the branches, such as imbalance development, higher pressure in risk

management and control, etc. From the perspective of the headquarter and branches, the Board of Supervisors raised some advice and recommendations in the next implementation of strategies, so as to further accelerate the implementation of strategic transformation.

Research reports prepared for aforementioned researches were reported to the Board and senior management and gained full emphasis and recognition. Relevant advice and recommendations have played positive roles in promoting the steady operation and corporate governance of the Company, thus creating more work values of the Board of Supervisors.

**(V) Strengthen self-construction and improving performance**

**1. *Trainings for Supervisors for better performance***

During the year, the Supervisory Committee organized certain Supervisors to participate in the special training for Directors and Supervisors organized by the Beijing Securities Regulatory Bureau, and conducted research on the corporate governance guidelines and new regulations for listed companies. Certain Supervisors also participated in the advanced seminar of supervisory board work practice organized by external organizations, which further enhanced their practical operation level, enriched their performance skills and enhanced the overall supervision ability of the Board of Supervisors.

**2. *Strengthen our collaboration with the Group***

During the year, the Board of Supervisors actively strengthened the daily contact and communication with the Supervisory Committee of the Group, and actively submitted work plans, annual reports, research reports, supervision and inspection opinions and performance evaluation opinions to the Supervisory Committee of the Group. Besides, the Board of Supervisors cooperated with the Group to carry out the work of “research on the implementation of strategic development, financial management, risk management and control, and construction of the Board of Supervisors of subsidiaries”, collected and collated relevant materials, held symposiums, formed self-examination reports, and was fully affirmed by the research team of the Supervisory Committee of the Group.

**II. PERFORMANCE SUPERVISION ASSESSMENT OPINIONS**

**(I) Performance supervision assessment opinions on the Board of Directors**

The Board of Supervisors conducted supervision and evaluation of the performance of the Board of Directors in 2018 in accordance with the Guidelines on the Corporate Governance of Commercial Banks (商業銀行公司治理指引), the Guidelines for the Boards of Supervisors of Commercial Banks (商業銀行監事會工作指引) and the Articles of Association. The assessment was mainly conducted by the Supervisors attending the meetings of the Board of Directors, meetings of part of special committees, and communication meetings of Directors; reviewing the minutes and resolutions of the Board meetings, reviewing the written reports. The monitoring and evaluation report is as follows:

During 2018, under the complicated international and domestic economic and financial situation, the Board of Directors strictly abided by the national regulatory requirements and the listing rules of Shanghai and Hong Kong and positively fulfilled the responsibilities under the Companies Law and the Articles of Association. The Board of Directors actively played a leading role in strategy, further promoted the transformation of our operations and improved our ability to withstand risks. We have further promoted corporate governance reforms and continued to enhance the professionalism and effectiveness of the Board of Directors so as to promote the Company's sustainable and healthy development and create more value for shareholders and the society.

***1. Research and consider significant matters and fully perform functions of meetings***

During the year, the Board of Directors and the special committees functioned efficiently and focused on and guided the Company's business transformation and strategy implementation to enhance its overall risk management and control capabilities. In accordance with its work requirements, the Bank convened 3 general meetings where 17 proposals were considered and 2 reports were debriefed; 16 meetings of the Board of Directors where 96 proposals were considered and 16 reports were debriefed and 35 meetings of the special committees where 77 proposals were considered and passed and 25 topical work reports were debriefed and researched. The number of meetings held, procedures, attendance, proposal deliberations and voting method all complied with legal provisions and provisions of the Articles of Association.

***2. Actively perform decision-making functions and create a new image of Everbright***

Firstly, strengthen strategic guidance and promote the construction of "first-class wealth management bank". The Board of Directors paid great attention to the Bank's strategic transformation and business structure adjustment, reviewed the new strategic proposal, listened to the management's implementation plan for the medium and long-term development strategy, deepened the peer benchmarking, deepened internal reforms, transformed the growth mode, accelerated transformation and upgrading, and implemented the "three-step" strategic plan and continued to improve operation results.

Secondly, attach great importance to capital management. The Board of Directors reviewed and approved the Company's new capital planning proposal, followed the development requirements of the new strategic plan, and began to consider future capital replenishment to support the management to steadily promote the issuance of preferred shares, which lay an important foundation for ensuring the sustainable and stable development of the business and meeting regulatory requirements.

Thirdly, the Board of Directors effectively performed their duties on risk management. In the face of a severe and complex external environment, the Board of Directors firmly adhered to the bottom line of no regional and systemic risks, actively promoted the transformation of risk management work, and continuously enhanced risk management capabilities. During the year, the Board of Directors listened to the risk management report, regularly re-examined risk appetite and tolerance indicators, and strengthened the adjustment of asset and liability structure. Besides, the Board of Directors strictly implemented the

requirements of the CBIRC, further deepened the rectification of the banking industry market, continued to pay attention to anti-money laundering, scientific and technological governance and data quality, and smoothly implemented the internal control effectiveness evaluation.

Fourthly, cultivate a new culture of Everbright and actively fulfill social responsibilities. The Board of Directors attached great importance to the construction of corporate culture, thoroughly implemented the requirements of the National Financial Work Conference for “Promoting Financial Targeted Poverty Alleviation”, assisted in poverty alleviation, continuously promoted brand building, and strived to cultivate a new Everbright culture of “home culture, sunshine culture, pro-business culture and responsibility culture”.

**3. *Carry out information disclosure as required and strictly managed the related party transactions***

During the year, the Board of Directors strictly complied with the regulatory requirements in Shanghai and Hong Kong, made timely, truthful and complete disclosure on important information such as regular reports and temporary announcements of all major events of the Company. A total of 115 temporary announcements about A Shares and 146 temporary announcements about H Shares were issued throughout the year. The contents of announcements mainly include changes in the appointment of Directors, Supervisors and senior management, annual reports, interim reports, quarterly reports, meeting resolutions, and connected transactions. There is no illegal or irregularity in information disclosure. In addition, the Board of Directors prudently carried out the examination and approval and filing of connected transactions, revised the administrative measures of connected transactions, further improved the refined management level of connected transactions, and ensured that the Company’s corporate governance, equity management and connected transactions management were in compliance with the latest regulatory requirements.

***The Board of Supervisors considered that:***

In 2018, the Board of Directors, in accordance with the laws, regulations and provisions of the Articles of Association, diligently did all types of work legally, efficiently implemented the resolutions of the general meetings and actively carried out the function of decision-making on important matters, playing a core role in corporate governance. The composition and establishment of the Board of Directors and its special committees are in line with relevant regulations and continue to be perfected. In accordance with their respective division of responsibilities, they have seriously discussed various issues and ensured the scientific and professional decision-making of the Board of Directors. During the year, there was no violation of the laws, regulations and provisions of the Articles of Association found in duty performance by the Board of Directors and its special committees.



*The Board of Supervisors recommended that:*

It is recommended that the Board of Directors further strengthen capital management, optimize capital planning and allocation, and continue to make capital replenishment to meet regulatory requirements and business development needs; focus on risk management, improve overall risk management standards, and ensure asset quality stability and strengthen the management of the performance of Directors. In accordance with the regulatory requirements and relevant management measures, it is recommended that the Directors who have been rated as general competent for two consecutive years should be replaced.

**(II) Comments on duty performance evaluation of the senior management**

According to the relevant provisions of the Guidelines on Corporate Governance of Commercial Banks, the Guidelines for Board of Supervisors of Commercial Banks and the Articles of Association, the Board of Supervisors supervised and evaluated the duty performance of senior management in 2018. The chairman of the Board of Supervisors attended bank president's office meetings, the Supervisors participated in the annual work meeting and important business management meetings, the Board of Supervisors gathered and read relevant bank documents, business work reports and etc., in conjunction with the record of discussion with some persons in charge of the departments of headquarter and heads of branch banks, to inform the comments on duty performance evaluation of the senior management in 2018. The supervision and assessment on duty performance is as follows:

In 2018, the senior management of China Everbright Bank actively fulfilled its duties required by laws and regulations and the Articles of Association and conscientiously implemented the resolutions of the general meetings and meetings of the Board of Directors. The senior management regarded "building a first-class wealth management bank" as its strategic vision, insisted on steady growth, focused on quality and efficiency, grasped market opportunities, continuously accelerated business transformation, served the real economy, improved operational efficiency and development quality, and strictly adhered to the risk bottom line. The Bank has achieved good business results and achieved coordinated development of scale, efficiency and quality.

*First, firmly implement new strategy and fully achieve the annual budget target*

During the year, the senior management actively coped with the complex economic situation, strictly complied with national economic and financial policies and supervisory requirements, firmly implemented new strategy and accelerated business and operational transformation. During the year, the Company recorded favorable operating performance. The growth rate of RMB loans and the growth of deposits were among the highest in the industry. The structure of capital and liability was continuously optimized. The operating income exceeded RMB100 billion for the first time. The growth rate of both revenue and profit reached a new high of nearly five years and the budget goal set by the Board of Directors was fully completed. The major operating indicators such as capital adequacy ratio, provision

coverage rate, deposit deviation degree and loan concentration degree were all in line with the supervisory requirements. The Company was ranked No.39 in the “Top 1,000 World Banks 2018” by The Banker, a U.K. magazine, in 2018, which was 10 rankings higher than last year.

***Second, strengthen risk management and compliance control to enhance the risk resistance ability***

The senior management continued to strengthen the establishment of three defense lines, focused on the new challenges brought about by the new situation and strictly held the various risk bottom lines. The senior management actively prevented and resolved risks in key areas, steadily promoted the risk management transformation, established a smart risk control center, and strengthened the interest and loans collecting. During the year, the Company’s non-performing loan ratio, overdue loan ratio and concern loan ratio declined as compared with last year, which outperformed its peers. Meanwhile, the Company strictly held the bottom line of compliance operation, strengthened the compliance construction of internal control, implemented various internal rules and plugged institutional loopholes. The Company strengthened the operation control of key links, increased the intensity of investigation and inspection, resolutely prevented major risk events and corruption cases, and firmly held the bottom line of systemic financial risks.

***Third, diligently perform the duties and develop procedures in compliance with regulations***

The senior management made business analysis, judgments and decisions in accordance with the scope of responsibilities and internal procedures of corporate governance, and carried out all kinds of business management work under the authority of the general meetings and the Board of Directors with plans, commitments, supervision, inspections in place, and regularly reported to the Board of Directors and its special committees. In accordance with the relevant provisions of the Articles of Association, the senior management timely provided the Board of Supervisors with relevant information and materials to facilitate it in carrying out relevant supervision work.

***The Board of Supervisors considered that:***

In 2018, the senior management seriously implemented the resolutions of general meetings and the Board of Directors, practically reinforced the strategy implementation capacity, achieved the budget goals set by the Board of Directors, deepened reforms and innovations, accelerated adjustment and optimization of business structure, further enhanced the risk control capacity, as well as leveled up the level of internal management, enabling the senior management to play an active and important role in operational decision making, reform development and daily management of the Company. During the year, there was neither violations of laws, regulations and the Articles of Association identified in the duty performance of the senior management, nor major risk cases and violations of the Company.

*The Board of Supervisors recommended that:*

The senior management should continue to thoroughly implement development strategy, maintain a good momentum of development, and accelerate the “agile, technological, and ecological” transformation; optimize risk management system and continue to strengthen asset quality control; strictly hold the bottom line of risks and compliance operation; comprehensively improve the ability of high-quality development, optimize capital allocation, and practically achieve “stable, real, new and progressive” business management, and unswervingly promote the construction of “first-class wealth management bank”.

**(III) Comments on duty performance evaluation of the Directors**

According to the Measures on Duty Performance Evaluation for Directors of China Everbright Bank Company Limited (Trial), the Company conducted evaluation on the duty performance of Directors in 2018. The Board of Supervisors conducted comprehensive evaluation on the duty performance of Directors in 2018 based on the daily supervisory records as well as the self-evaluation of Directors and the overall results of the evaluation of Directors by the Board of Directors. The results showed that Mr. Li Xiaopeng, Mr. Cai Yunge, Mr. Fu Dong, Mr. Shi Yongyan, Mr. Wang Xiaolin, Mr. He Haibin, Mr. Zhao Wei, Mr. Qiao Zhimin, Mr. Xie Rong, Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Wang Liguog were competent, and Mr. Feng Lun was generally competent.

**(IV) Comments on duty performance evaluation of the Supervisors**

In accordance with the Measures on Duty Performance Evaluation for Supervisors of China Everbright Bank Company Limited, the Company conducted an evaluation of duty performance of Supervisors in 2018. The Board of Supervisors conducted a comprehensive evaluation of the duty performance of Supervisors in 2018 based on the daily supervision records, and with reference to the self-evaluation and the mutual evaluation of the Supervisors. The results showed that all of the Supervisors were competent.

2019 is “a year of value creation” for the Company. The Board of Supervisors of the Company will closely follow the theme of “value creation”, actively implement various regulatory requirements, improve the standardized and institutionalized operational mechanism, better fulfill the supervisory duty of the Board of Supervisors, and improve supervision of quality and efficiency, to help the smooth implementation of major decisions, further improve corporate governance level, and promote the sustainable and healthy development of the Bank.

REPORT OF USE OF PROCEEDS FROM PREVIOUS OFFERING  
OF CHINA EVERBRIGHT BANK COMPANY LIMITED

The Report of Use of Proceeds from the Previous Offering for the year ended 31 December 2018, prepared by the Company according to the requirements of the Regulations on Report of Use of Funds Raised from Previous Offering (Zheng Jian Fa Xing Zi [2007] No.500) (《關於前次募集資金使用情況報告的規定》(證監發行字[2007]500號)), is as follows:

## I. USE OF FUNDS RAISED FROM THE PREVIOUS OFFERING

## (1) Non-public Issuance of Preference Shares

According to the relevant resolutions passed on the Third EGM in 2014, the First A Shareholders Class Meeting in 2014 and the First H Shareholders Class Meeting in 2014 held on 23 December 2014, and under the Approval by the CBRC in relation to the Non-public Issuance of Preference Shares and the Amendments to the Articles of Association by China Everbright Bank (Yin Jian Fu [2015] No.314) (《中國銀監會關於光大銀行非公開發行優先股及修改公司章程的批復》(銀監複[2015]314號)) from former CBRC and the Approval by the CSRC in relation to the Non-public Issuance of Preference Shares of China Everbright Bank Company Limited (Zheng Jian Xu Ke [2015] No.1239) (《關於核准中國光大銀行股份有限公司非公開發行優先股的批復》(證監許可[2015]1239號)), the Bank may conduct a non-public issuance in tranches of not more than 300,000,000 preference shares with an amount of not more than RMB30 billion to qualified investors.

On 19 June 2015, the Company issued 200,000,000 preference shares by way of Non-public Issuance (hereinafter referred to as the “**First Tranche of Preference Shares**”), which were issued at their par value (i.e. nominal value) of RMB100 each, and total funds raised amounted to RMB20,000,000,000. After deduction of the issuance costs of RMB35,230,659.44, gross net proceeds amounted to RMB19,964,769,340.56.

As of 26 June 2015, the above proceeds from the non-public issuance of the First Tranche of Preference Shares (after deducting part of issuance costs already paid) were remitted into the Company’s account designated for such proceeds (bank account number: 10010104490005043). The receiving of the proceeds raised has been verified by KPMG Huazhen (Special General Partnership) with the issuance of the Verification Report on Proceeds Raised from Non-public Issuance of Preference Shares of China Everbright Bank Company Limited (KPMG Huazhen Yan Zi No. 1501029) (《中國光大銀行股份有限公司非公開發行優先股募集資金驗證報告》(畢馬威華振驗字第1501029號)) for purposes of verification and confirmation.

On 8 August 2016, the Company issued 100,000,000 preference shares by way of Non-public Issuance (hereinafter referred to as the “**Second Tranche of Preference Shares**”), which were issued at their par value (i.e. nominal value) of RMB100 each, and total proceeds raised amounted to RMB10,000,000,000. After deduction of the issuance costs of RMB17,462,871.33, gross net proceeds amounted to RMB9,982,537,128.67.

As of 12 August 2016, the above proceeds from the non-public issuance of the Second Tranche of Preference Shares (after deducting part of issuance costs already paid) were remitted into the Company's account designated for such proceeds (bank account number: 10010104490005045). The receiving of the proceeds raised has been verified by Ernst & Young Huaming (Special General Partnership) with the issuance of the Verification Report on the Receiving of Proceeds Raised from Non-public Issuance of Preference Shares of China Everbright Bank Company Limited (Ernst & Young Huaming (2016) Yan Zi No. 18770328\_A02) (《中國光大銀行股份有限公司非公開發行優先股募集資金實收情況驗資報告》(安永華明 (2016)驗字第18770328\_A02號)) for purposes of verification and confirmation.

As of 31 December 2018, the Company has fully used the proceeds raised from the above two tranches of preference shares issuance, and the balance in the special account is RMB nil.

## **(2) Public Issuance of A Share Convertible Corporate Bonds**

According to the relevant resolutions passed on the AGM in 2015, the First A Shareholders Class Meeting in 2016 and the First H Shareholders Class Meeting in 2016 held on 29 June 2016, and under the Approval by CBRC in relation to the Public Issuance of A Share Convertible Corporate Bonds by China Everbright Bank (Yin Jian Fu [2016] No.337) (《中國銀監會關於光大銀行公開發行A股可轉換公司債券相關事宜的批復》(銀監復[2016]337號)) from former CBRC and the Approval by the CSRC in relation to the Public Issuance of Convertible Corporate Bonds of China Everbright Bank Company Limited (Zheng Jian Xu Ke [2017] No.315) (《關於核准中國光大銀行股份有限公司公開發行可轉換公司債券的批復》(證監許可[2017]315號)), the Company may conduct a public issuance of A share convertible corporate bonds with a total nominal value of RMB30 billion, which were issued at their par value of RMB100 each.

On 17 March 2017, the Company conducted a public issuance of A share convertible corporate bonds, and total proceeds raised amounted to RMB30,000,000,000. After deduction of the issuance costs of RMB77,068,190.36, gross net proceeds amounted to RMB29,922,931,809.64.

As of 23 March 2017, the above proceeds from the public issuance of A share convertible corporate bonds (after deducting part of issuance costs already paid) were remitted into the Company's account designated for such proceeds (bank account number: 10010104490005046). The receiving of the proceeds raised has been verified by Ernst & Young Huaming (Special General Partnership) with the issuance of the Verification Report on the Receiving of Proceeds Raised from Public Issuance of A Share Convertible Corporate Bonds of China Everbright Bank Company Limited (Ernst & Young Huaming (2017) Yan Zi No.61238341\_A03) (《中國光大銀行股份有限公司公開發行A股可轉換公司債券募集資金到賬情況驗資報告》(安永華明 (2017)驗字第61238341\_A03號)) for purposes of verification and confirmation.

As of 31 December 2018, the Company has fully used such proceeds, and the balance in the special account is RMB nil.

**(3) Placement of Overseas-listed Foreign Shares**

According to the relevant resolutions passed on the AGM in 2016, the Second A Shareholders Class Meeting in 2017 and the Second H Shareholders Class Meeting in 2017 held on 20 June 2017, and under the Approval by CBRC in relation to the Non-public Issuance of H Shares, Qualifications of Relevant Shareholders and the Amendments of Articles of Association by China Everbright Bank (Yin Jian Fu [2017] No.206) (《中國銀監會關於光大銀行非公開發行H股股票方案、有關股東資格及修改公司章程的批復》(銀監復[2017]206號)) from former CBRC and the Approval by the CSRC in relation to the Placing of Overseas-listed Foreign Shares of China Everbright Bank Company Limited (Zheng Jian Xu Ke [2017] No.2329) (《關於核准中國光大銀行股份有限公司增發境外上市外資股的批復》(證監許可[2017]2329號)), the Company may conduct a placing of not more than 5,810 million overseas-listed foreign shares with a nominal value of RMB1.00 each, all of which were ordinary shares.

The placing of 5,810 million overseas-listed foreign shares was completed on 22 December 2017, and total proceeds raised amounted to HK\$30,957,423,000.00 (equivalent to RMB26,050,671,454.50). After deduction of the issuance costs of RMB72,826,890.25, gross net proceeds amounted to RMB25,977,844,564.25.

As of 22 December 2017, the above proceeds from the placing of overseas-listed foreign shares were remitted into the Company's account designated for such proceeds (bank account number: 737006675500). The receiving of the proceeds raised has been verified by Ernst & Young Huaming (Special General Partnership) with the issuance of the Verification Report on the Capital of China Everbright Bank Company Limited (Ernst & Young Huaming (2017) Yan Zi No.61238341\_A04) (《中國光大銀行股份有限公司驗資報告》(安永華明 (2017)驗字第 61238341\_A04號)) for purposes of verification and confirmation.

As of 31 December 2018, the Bank has fully used such proceeds, and the balance in the special account is RMB nil.

**II. CHANGES IN ACTUAL USE OF FUNDS RAISED FROM THE PREVIOUS OFFERING**

There is no change in the use of funds raised from the previous offering given that the actual use of which is consistent with the purpose of proceeds disclosed in the plan of the above-mentioned non-public issuance of preference shares, the public issuance of A share convertible corporate bonds and the placing of overseas-listed foreign shares.

**III. ACTUAL USE OF FUNDS RAISED FROM THE PREVIOUS OFFERING**

After the deduction of issuance costs, the proceeds raised from the non-public issuance of the First Tranche of Preference Shares for the year 2015 were used entirely as supplements to other tier-1 capital of the Company. As of 31 December 2018, for the actual use of the proceeds from the non-public issuance of the First Tranche of Preference Shares, see the Table 1: Breakdown of the Use of the Proceeds of Non-public Issuance of the First Tranche of Preference Shares for the Year 2015.

After the deduction of issuance costs, the proceeds raised from the non-public issuance of the Second Tranche of Preference Shares for the year 2016 were used entirely as supplements to other tier-1 capital of the Company. As of 31 December 2018, for the actual use of the proceeds from the non-public issuance of the Second Tranche of Preference Shares, see the Table 2: Breakdown of the Use of the Proceeds of Non-public Issuance of the Second Tranche of Preference Shares for the Year 2016.

After the deduction of issuance costs, the proceeds raised from the public issuance of A share convertible corporate bonds for the year 2017 were contributed entirely together with other capital to the operation of the Company for purpose of business expansion. Such proceeds would be appropriated to the core tier-1 capital of the Company according to relevant provisions on fund management by former CBRC and the use of proceeds disclosed in the prospectus subject to the share transfer. As of 31 December 2018, for the actual use of the proceeds from the public issuance of A share convertible corporate bonds, see the Table 3: Breakdown of the Use of the Proceeds of Public Issuance of A Share Convertible Corporate Bonds for the Year 2017.

After the deduction of issuance costs, the proceeds raised from the placing of overseas-listed foreign shares for the year 2017 were used entirely as supplements to core tier-1 capital of the Bank. As of 31 December 2018, for the actual use of the proceeds from the placing of overseas-listed foreign shares, see the Table 4: Breakdown of the Use of the Proceeds of Placing of Overseas-listed Foreign Shares for the Year 2017.

The investment project of previous proceeds above was to supplement the capital, and the benefits of the project could not be quantified.

#### IV. COMPARISON OF THE ACTUAL USE OF THE PREVIOUS PROCEEDS WITH THE RELEVANT DISCLOSURES IN THE COMPANY'S PERIODIC REPORT

There was no discrepancy between the actual use of the previous proceeds and the correspondent information as disclosed in relevant periodic reports for years 2015, 2016 and 2017 of the Company and other documents.

Investment Project	Investment Time	Cumulative Investment Disclosed	Actual Cumulative Investment
Replenish to other tier-1 capital	2015	19,964,769,340.56	19,964,769,340.56
Replenish to other tier-1 capital	2016	9,982,537,128.67	9,982,537,128.67
Support business expansion of the Bank before share transfer, and replenish core tier-1 capital according to regulatory requirements subject to share transfer	2017	29,922,931,809.64	29,922,931,809.64
Replenish to core tier-1 capital	2017	25,977,844,564.25	25,977,844,564.25

**V. CONCLUSIONS**

The Board of Directors consider that the utilization of previous proceeds by the Company is consistent with the purpose of proceeds disclosed in the above-mentioned non-public issuance of preference shares, the public issuance of A share convertible corporate bonds and the placing of overseas-listed foreign shares. The disclosure obligation regarding to the investment and status of previous proceeds has been duly performed by the Bank pursuant to the Regulations of the CSRC on Report of Use of Funds Raised from Previous Offering (Zheng Jian Fa Xing Zi [2017] No.500).

All of Directors of the Company undertake that this report contains no false records, misleading statements or material omissions, and take legal responsibilities individually and collectively as to its truth, accuracy and completeness.

Table 1: Breakdown of the Use of the Proceeds of Non-public Issuance of the First Tranche of Preference Shares for the Year 2015

Table 2: Breakdown of the Use of the Proceeds of Non-public Issuance of the Second Tranche of Preference Shares for the Year 2016

Table 3: Breakdown of the Use of the Proceeds of Public Issuance of A Share Convertible Corporate Bonds for the Year 2017

Table 4: Breakdown of the Use of the Proceeds of Placing of Overseas-listed Foreign Shares for the Year 2017



Table 1:

**BREAKDOWN OF THE USE OF THE PROCEEDS OF  
NON-PUBLIC ISSUANCE OF THE FIRST TRANCHE OF  
PREFERENCE SHARES FOR THE YEAR 2015**

Unit: RMB

Total net proceeds:			19,964,769,340.56			Proceeds accumulatively used:			19,964,769,340.56	
Total proceeds with changes in the use:			-			Total proceeds used in the corresponding year:			2015: 19,964,769,340.56	
Proportion of the proceeds with changes in the use:			-						2016: -	
									2017: -	
									2018: -	
Investment projects			Total investment with the proceeds			Cumulative investment with the proceeds as of the cut-off date				Completion of the project by the cut-off date
No.	Investment project committed	Actual investment project	Pre-money commitment	Post-money commitment	Actual investment	Pre-money commitment	Post-money commitment	Actual investment	Proportion of actual investment to post-money commitments	
1	Replenish other tier-1 capital	Replenish other tier-1 capital	19,964,769,340.56	19,964,769,340.56	19,964,769,340.56	19,964,769,340.56	19,964,769,340.56	19,964,769,340.56	-	N/A

Table 2:

**BREAKDOWN OF THE USE OF THE PROCEEDS OF  
NON-PUBLIC ISSUANCE OF THE SECOND TRANCHE OF  
PREFERENCE SHARES FOR THE YEAR 2016**

Unit: RMB

Total net proceeds:			9,982,537,128.67			Proceeds accumulatively used:			9,982,537,128.67	
Total proceeds with changes in the use:			-			Total proceeds used in the corresponding year:			2016: 9,982,537,128.67	
Proportion of the proceeds with changes in the use:			-						2017: -	
									2018: -	
Investment projects			Total investment with the proceeds			Cumulative investment with the proceeds as of the cut-off date				Completion of the project by the cut-off date
No.	Investment project committed	Actual investment project	Pre-money commitment	Post-money commitment	Actual investment	Pre-money commitment	Post-money commitment	Actual investment	Proportion of actual investment to post-money commitments	
1	Replenish other tier-1 capital	Replenish other tier-1 capital	9,982,537,128.67	9,982,537,128.67	9,982,537,128.67	9,982,537,128.67	9,982,537,128.67	9,982,537,128.67	-	N/A

Table 3:

**BREAKDOWN OF THE USE OF THE PROCEEDS OF  
PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS  
FOR THE YEAR 2017**

Unit: RMB

Total net proceeds:			29,922,931,809.64			Proceeds accumulatively used:			29,922,931,809.64	
Total proceeds with changes in the use:			-			Total proceeds used in the corresponding year:			2017: 29,922,931,809.64	
Proportion of the proceeds with changes in the use:			-						2018: -	
Investment projects			Total investment with the proceeds			Cumulative investment with the proceeds as of the cut-off date				Completion of the project by the cut-off date
No.	Investment project committed	Actual investment project	Pre-money commitment	Post-money commitment	Actual investment	Pre-money commitment	Post-money commitment	Actual investment	Proportion of actual investment to post-money commitments	
1	Support business expansion of the Bank before share transfer, and replenish core tier-1 capital according to regulatory requirements subject to share transfer	Support business expansion of the Bank before share transfer, and replenish core tier-1 capital according to regulatory requirements subject to share transfer	29,922,931,809.64	29,922,931,809.64	29,922,931,809.64	29,922,931,809.64	29,922,931,809.64	29,922,931,809.64	-	N/A

Table 4:

**BREAKDOWN OF THE USE OF THE PROCEEDS OF  
PLACING OF OVERSEAS-LISTED FOREIGN SHARES  
FOR THE YEAR 2017**

Unit: RMB

Total net proceeds:			25,977,844,564.25			Proceeds accumulatively used:			25,977,844,564.25	
Total proceeds with changes in the use:			-			Total proceeds used in the corresponding year:			2017: 25,977,844,564.25	
Proportion of the proceeds with changes in the use:			-						2018: -	
Investment projects			Total investment with the proceeds			Cumulative investment with the proceeds as of the cut-off date				Completion of the project by the cut-off date
No.	Investment project committed	Actual investment project	Pre-money commitment	Post-money commitment	Actual investment	Pre-money commitment	Post-money commitment	Actual investment	Proportion of actual investment to post-money commitments	
1	Replenish core tier-1 capital	Replenish core tier-1 capital	25,977,844,564.25	25,977,844,564.25	25,977,844,564.25	25,977,844,564.25	25,977,844,564.25	25,977,844,564.25	-	N/A

**CHINA EVERBRIGHT BANK COMPANY LIMITED**  
**PLAN OF AUTHORISATION BY SHAREHOLDERS' GENERAL MEETING TO**  
**THE BOARD OF DIRECTORS**  
(Amended in 2019)

According to the relevant laws and regulations, including the Companies Law of the People's Republic of China and the Articles of Association, the Shareholders' General Meeting of the Company authorises the Board of Directors to exercise the following authorities:

**I. AUTHORITY TO APPROVE EQUITY INVESTMENT**

The Board of Directors shall have the authority to approve external equity investment projects (i.e., transactions in which external investment is made with monetary funds, physical assets or other forms of consideration in exchange of equity) with a lump sum amount not exceeding RMB2 billion.

**II. AUTHORITY TO APPROVE BONDS ISSUANCE**

The Board of Directors shall have the authority to approve the issuance of ordinary financial bonds with an annual cap of 1% of the latest audited total assets of the Company, save for corporate bonds including subordinated bonds, tier-2 capital bonds or convertible bonds issued for the purpose of replenishing capital.

**III. AUTHORITY TO APPROVE BONDS INVESTMENT**

- (I) The Board of Directors shall have the authority to approve investments in Chinese treasury bonds, bills issued by the People's Bank of China, policy bank bonds, bonds issued by international financial institutions, US government bonds, sovereign bonds and local government bonds, with investment grade or above ratings, with an annual cap of 30% of the latest audited total assets of the Company.
- (II) In addition to the bonds specified in Paragraph (I), the Board of Directors shall have the authority to approve investments in bonds with investment grade or above ratings, or in fully secured bonds with lower ratings, provided that the investment made to any single bond issuer shall not exceed 10% of the latest audited net assets of the Company.

Bonds investment referred to in this Plan shall include both the purchase and sales of bonds.

**IV. AUTHORITY TO APPROVE ACQUISITION OF ASSETS**

- (I) The Board of Directors shall have the authority to approve the acquisition of credit assets with an annual cap of 30% of the latest audited total assets of the Company.

- (II) The Board of Directors shall have the authority to approve the purchase of fixed assets<sup>1</sup> and other non-credit assets provided that the value of single asset shall not exceed RMB1 billion. In particular, the Board shall submit the Annual Fixed Assets Investment Budget to the General Meeting of the Shareholders for approval.

**V. AUTHORITY TO APPROVE DISPOSAL OF ASSETS**

- (I) The Board of Directors shall have the authority to approve the disposal of equity assets provided that the value of any single asset to be disposed shall not exceed RMB500 million.
- (II) The Board of Directors shall have the authority to approve the disposal of fixed assets provided that the net book value of any single asset to be disposed shall not exceed RMB1 billion.
- (III) The Board of Directors shall have the authority to approve the disposal of credit assets and other non-credit assets, provided that the value of assets to be disposed of in any given year shall not exceed 30% of the latest audited total assets of the Company.

The above 3 types of disposal of assets shall include sale and transfer of assets, but shall exclude the provision of guarantee with such assets.

**VI. AUTHORITY TO APPROVE WRITE-OFF OF ASSETS**

- (I) The Board of Directors shall have the authority to approve the write-off of equity assets, provided that the value of any single asset to be written off shall not exceed RMB500 million.
- (II) The Board of Directors shall have the authority to approve the write-off of fixed assets, provided that the net book value of any single asset to be written off shall not exceed RMB500 million.
- (III) The Board of Directors shall have the authority to approve the disposal of credit assets and other non-credit assets without limit in amount.

**VII. AUTHORITY TO APPROVE PLEDGE OF ASSETS AND GUARANTEE OF OTHER NON-COMMERCIAL BANKING BUSINESSES**

Save for matters subject to the consideration and approval of the General Meeting as required by the regulatory requirements, the Board of Directors shall have the authority to approve the pledge of assets provided to external parties and the guarantee of other non-commercial banking businesses, provided that the amount for each pledge or guarantee shall not exceed RMB1 billion.

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<sup>1</sup> Investment in fixed assets of the Company mainly includes construction of buildings for business operation, investment in information technology, channel construction and upgrade of facilities for business operation.

The provision of pledge of assets and guarantees of other non-commercial banking businesses by the Company to related parties shall be subject to the consideration and approval of the General Meeting.

#### **VIII. AUTHORITY TO APPROVE INSTITUTION**

- (I) The Board of Directors shall have the authority to approve the establishment of tier-one departments at the head office.
- (II) The Board of Directors shall have the authority to approve the establishment of tier-one branches within China and overseas branches (including representative offices).

The above matters in respect of establishment refer to establishment, upgrade and revocation (excluding merger) of institutions.

Basis for Amendment: according to the work practice and fully considering the various situations of institution approval, the statement is more complete and accurate.

#### **IX. AUTHORITY TO APPROVE CORPORATE INSTITUTION**

External investment<sup>2</sup>, capital increase, spinning off and merger and other material matters of the corporate institutions<sup>2</sup> established by the Company which require the Company to exercise decision making rights in the capacity of shareholders, shall be considered and resolved by the Board of Directors. Where the Company is required to make investment, provisions in relation to the authority to approve equity investment stipulated in this Plan of Authorisation shall apply.

Basis for Amendment: it's for the purpose of better implementing the regulatory requirement of separation the wealth management business from the proprietary business of the wealth management branches.

#### **X. AUTHORITY TO APPROVE DONATIONS**

The Board of Directors shall have the authority to approve external donations (including charitable donations and commercial sponsorships etc.) provided that the amount of any single external donation shall not exceed ~~RMB5 million~~ RMB8 million and the aggregate amount of external donations made during the year shall not exceed the sum of ~~RMB20 million~~ RMB25 million and 0.3% of the previous year's net profit of the Company (if more than RMB35 million, the amount of RMB35 million shall apply). In the event that the assistance to areas suffering from major emergencies exceeds the above-mentioned total or single limit, it could be reviewed by the Board of Directors and approved by more than two thirds of Directors by voting.

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<sup>2</sup> *Corporate institutions refer to banks, non-banking financial institutions or companies that are independent legal persons.*

<sup>3</sup> *The investment activities referred therein only include those investments conducted by the corporate institutions set up by the Company using their own funds, and exclude those investments using non-self-owned funds such as funds under wealth management.*

Basis for Amendment: in order to actively fulfill the social responsibility of the Company, particularly to meet the needs of poverty alleviation, as well as with reference to the practice of the peers, it is proposed to appropriate increase the limit of individual external donation and the total expenses of external donations for the year and revise relevant statements.

- XI. THE BOARD OF DIRECTORS CAN SUB-DELEGATE TO THE MANAGEMENT ALL OR PART OF ITS POWER AUTHORISED BY THE GENERAL MEETING. EXCEPT FOR MATTERS THAT REQUIRED TO BE DECIDED BY THE SHAREHOLDERS' GENERAL MEETING AS EXPRESSLY STIPULATED IN THE ARTICLES OF ASSOCIATION OF THE COMPANY AND THE RULES OF PROCEDURE FOR THE SHAREHOLDERS' GENERAL MEETING, THE BOARD OF DIRECTORS AND THE MANAGEMENT SHALL EXERCISE THEIR POWER ON MANAGEMENT AND OPERATIONAL DECISION MAKING IN ACCORDANCE WITH THE RELEVANT PROVISIONS.**
- XII. DURING THE IMPLEMENTATION PERIOD OF THIS PLAN OF AUTHORISATION, IN THE EVENT THAT RELEVANT LAWS AND REGULATIONS, POLICIES AND REGULATORY REQUIREMENTS THE STATE OR THE VENUE OF LISTING OF THE SECURITIES OF THE COMPANY FORMULATES OR REVISES WOULD RESULT IN ANY CONFLICT BETWEEN THIS PLAN OF AUTHORISATION AND THE RELEVANT LAWS AND REGULATIONS, POLICES AND REGULATORY REQUIREMENTS, SUCH LAWS AND REGULATIONS, POLICES AND REGULATORY REQUIREMENTS SHALL PREVAIL.**
- XIII. THIS PLAN OF AUTHORISATION IS EFFECTIVE FROM THE DATE IT IS APPROVED BY THE SHAREHOLDERS' GENERAL MEETING UNTIL WHEN THE SHAREHOLDERS' GENERAL MEETING MAKES A NEW PLAN OF AUTHORISATION.**
- XIV. THE BOARD OF DIRECTORS SHALL SUMMARISE AND ANALYSE THE IMPLEMENTATION OF THIS PLAN OF AUTHORISATION ON AN ANNUAL BASIS, AND REPORT TO THE SHAREHOLDERS' GENERAL MEETING. THE SHAREHOLDERS' GENERAL MEETING MAY SUPPLEMENT OR ADJUST THE RELEVANT AUTHORISATIONS ACCORDING TO THE ACTUAL CIRCUMSTANCES BY WAY OF PASSING RESOLUTIONS AT THE SHAREHOLDERS' GENERAL MEETING.**

- Notes:*
1. The currency specified in this Plan of Authorisation are stated in Renminbi, including its foreign currency equivalent.
  2. All amounts or rates (ratios) specified in this Plan of Authorisation are inclusive of the figure.
  3. Other non-credit assets referred to in this Plan of Authorisation mean assets other than credit assets, fixed assets, equity assets and bonds.

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## NOTICE OF THE 2018 ANNUAL GENERAL MEETING

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中國光大銀行股份有限公司

### China Everbright Bank Company Limited

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

**(Stock code: 6818)**

## NOTICE OF THE 2018 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting for 2018 (“AGM”) of China Everbright Bank Company Limited (the “**Company**”) will be held at the conference room of 3rd Floor, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC on Thursday, 30 May 2019 at 9:30 a.m. to consider and, if thought fit, to pass the following resolutions:

### ORDINARY RESOLUTIONS

1. The 2018 work report of the Board of Directors of China Everbright Bank Company Limited;
2. The 2018 work report of the Board of Supervisors of China Everbright Bank Company Limited;
3. The budget plan of fixed asset investment of China Everbright Bank Company Limited for the year 2019;
4. Audited accounts report of China Everbright Bank Company Limited for the year 2018;
5. Profit distribution plan of China Everbright Bank Company Limited for the year 2018;
6. The proposal in relation to the remuneration of the Directors of China Everbright Bank Company Limited for the year 2018;
7. The proposal in relation to the remuneration of the Supervisors of China Everbright Bank Company Limited for the year 2018;
8. The proposal in relation to the election of Mr. Hong Yongmiao as the independent non-executive Director of the seventh session of the Board of Directors of China Everbright Bank Company Limited;
9. The proposal in relation to the election of Mr. Shao Ruiqing as the independent non-executive Director of the seventh session of the Board of Directors of China Everbright Bank Company Limited;
10. The proposal in relation to the report of use of proceeds from previous offering of China Everbright Bank Company Limited; and

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## NOTICE OF THE 2018 ANNUAL GENERAL MEETING

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11. The proposal in relation to the amendments to the plan of authorisation by shareholders' general meeting to the Board of Directors of China Everbright Bank Company Limited.

### SPECIAL RESOLUTION

1. The proposal in relation to the issuance of non-fixed term capital bonds by China Everbright Bank Company Limited.

On behalf of the Board  
**China Everbright Bank Company Limited**  
**LI Xiaopeng**  
*Chairman*

Beijing, the PRC  
12 April 2019

*As at the date of this notice, the Executive Director of the Company is Mr. Ge Haijiao; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Cai Yunge, Mr. Fu Dong, Mr. Shi Yongyan, Mr. Wang Xiaolin, Mr. He Haibin and Mr. Zhao Wei; and the Independent Non-executive Directors are Mr. Qiao Zhimin, Mr. Xie Rong, Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Feng Lun and Mr. Wang Ligu.*

*Notes:*

- (1) For further details on each of the proposed resolutions, please refer to the circular of the Company dispatched to shareholders on Friday, 12 April 2019.
- (2) **Closure of register of members and eligibility for attending the AGM**

Holders of H Shares of the Company (“H Shares”) are advised that the register of members will be closed from Tuesday, 30 April 2019 to Thursday, 30 May 2019 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong on Thursday, 30 May 2019 are entitled to attend the AGM.

Holders of H Shares who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 29 April 2019.

- (3) **Proposed distribution of dividend and closure of register of members**

The Board of Directors of the Company has recommended a dividend of RMB1.61 (before tax) for every 10 shares for the year ended 31 December 2018 and, if such dividend is declared by the shareholders passing the item 5 of the ordinary resolutions, it will be distributed to those shareholders whose names appear on the register of members of the Company on Monday, 10 June 2019. The register of members of H Shares will be closed from Wednesday, 5 June 2019 to Monday, 10 June 2019 (both days inclusive). In order to be entitled to the dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on Tuesday, 4 June 2019.



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## NOTICE OF THE 2018 ANNUAL GENERAL MEETING

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**(4) Proxy**

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in their stead. A proxy need not be a shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorised attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign or other authorisation documents must be notarised.

To be valid, the proxy form together with the power of attorney or other authorisation document (if any) must be lodged at the H Share Registrar of the Company by hand or by post not less than 24 hours before the time fixed (i.e. not later than 9:30 a.m. on Wednesday, 29 May 2019) for holding the AGM or any adjournment thereof (as the case may be) by holders of H Shares. The H Share Registrar of the Company is Computershare Hong Kong Investor Services Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

**(5) Reply Slip**

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip by hand or by post to the Company's Board of Directors' Office or Computershare Hong Kong Investor Services Limited on or before Friday, 10 May 2019. The Company's Board of Directors' Office is located at Room 1015, Tower A, China Everbright Center, No. 25 Taipingqiao Avenue, Xicheng District, Beijing, the PRC (Tel: (86 10) 6363 6388, Fax: (86 10) 6363 6713). The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

**(6)** The above resolutions will be voted by way of poll.

**(7) Other issues**

Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identification documents.

Registration for admission to the AGM will take place from 9:00 a.m. to 11:30 a.m. and 1:30 p.m. to 5:00 p.m. on Friday, 24 May 2019 at the Company's Board of Directors' Office. Shareholders (in person or by proxy) attending the AGM who have not registered for admission to the AGM during the aforementioned periods in this paragraph shall register for admission at the venue of the AGM on the date of the AGM and produce their identification documents.

**(8)** All times set out in this notice refer to Hong Kong local time.